BANK SERVICES

a - Automated and manual wholesale lockboxing
b - Reports by 10:30 EST
c - See profile for additional information
d - Ability to receive corporate trade payments only
e - Documentary collections
f - Overseas lockbox collections. See profile for locations

g - Both documentary collections and overseas lockboxes
h - Both multi-tiered and regular zero balance accounts
o - Mail intercept facility
p - Pre-authorized debits
z - Terminal-based letters of credit

	Lockboxing — retail	Lockboxing — wholesale	Lockboxing — alternatives	Disbursement — delayed funding	Disbursement — controlled	Disbursement — alternatives	Terminal-initiated W/Ts	Terminal-initiated com. ppr.	Terminals	Other communications	Terminal-initiated stop pmts.	Electronic DTCs	Terminal-based ACH	Corporate trade payments	Direct deposit	Letters of credit	Collections	Foreign exchange trading	Foreign exchange advisory	Lockbox/disbursement studies	Stand-alone consulting	Other consulting	Separate management	Sweep	Zero balance accounts	Payable thru drafts	Account reconciliation	Treasury workstation	Other
State Street Bank & Trust Co.	●	●			b	●			●	●		●			●	●	●	●		z	●	●	●		c				●			h	●	●			p		
MICHIGAN																																						
Manufacturers National Bank of Detroit	●	●			b	●	●		●	●					●	●	●	●		●	g	●	●		c				●			h	●	●			p		
Michigan National Bank of Detroit	●	a			b	●			●	●					●	●	●	●		z	a	●	●		c				●	●		●	●	●	●		p		
National Bank of Detroit	●	●	c/o		b		●		●	●	●		c		●	●	●	●		●	a	●	●		e					●		h	●	●	●		p		
Old Kent Bank & Trust	●	●			●	●			●						●		●			●	a	●	●									●	●	●			c/p		
MISSISSIPPI																																						
Deposit Guaranty National Bank		●			b		●		●						●		●			●	a	●	●		c				●			●		●			p		
MISSOURI																																						
Boatmen's National Bank of St. Louis		a	c		b				●	●			c		●	●	●			●	a		●		c				●			h	●	●			p		
Centerre Bank	●	a	c		b	●	●		●	●					●	●	●	●		●	a	●	●		c	c	●		●			h	●	●	●		p		
Commerce Bank of Kansas City	●	●			b	●			●	●			c		●	●	●	●		●	a	●	●		e					●		h	●	●	●		p		
Mercantile Trust Co.	●	a	c		b		●		●	●					●	●	●	●		z	a	●	●		c	c			●			h	●	●	●		p		
United Missouri Bank of Kansas City	●	a			b		●		●	●					●	●	●	●		●	a				e				●	●		●	●	●	●		p		
NEBRASKA																																						
First National Bank of Omaha	●	a			b				●	●			c		●		●	d		●	a	●	●		c				●			h	●	●			p		
Omaha National Bank	●	●			b				●						●		●								c				●			●	●	●			p		
NEW JERSEY																																						
First Fidelity Bank of New Jersey	●	a			●				●	●		●			●	●	●	●		●	a	●										●	●	●			p		
United Jersey Bank	●	●	c/o		b		●		●	●			c		●	●	●	●		●	a	●							●	●		h	●	●			p		
NEW MEXICO																																						
First National Bank in Albuquerque	●	a			b		●		●				c		●	●	●	●		●									●			●	a	●					
NEW YORK																																						
The Bank of New York	●	●	c/o		b	●	●		●	●		●			●		●	●		●	a	●	●		c				●			h	●	●	●				
Chase Manhattan Bank		●	c		b				●	●	●	●	c		●	●	●	●		●	g	●	●		c	c	●		●			h	●	●	●		c/p		
Chemical Bank	●	a	o		b	●	●		●	●	●	●	c		●		●	●		z	g	●	●						●	●		●	●	●	●		c/p		
Citibank	●	a			b		●		●	●	●	●	c		●	●	●	●		●	a	●	●		c	c						h	●	●	●		c/p		
Irving Trust		●	e		b	●			●	●	●		c		●		●	●		z	a	●	●		c	c	●			●		●	●	●	●		p		
Manufacturers Hanover Trust Co.	●		c		b		e		●	●	●	●			●		●	●		z	g	●	●		c	c	●		●	●		h	●	●	●		c/p		
Morgan Bank					b	●			●	●	●		c		●	●	●	●		z	a	●	●									h	●	●			c/p		
NORTH CAROLINA																																						
Branch Banking and Trust Co.	●	●			●				●						●		●	●		●	a	●	●		c	c			●			●		●	●		p		
First Union National Bank		●			b	●			●	●		●			●	●	●			●	a	●	●		c	c	●		●	●		h	●	●	●		c/p		
NCNB National Bank of North Carolina		●	c		●	●	c		●	●		●	c		●	●	●	●		z	a	●	●		c	c	●		●	●		●	●	●	●		p		
United Carolina Bank		●	c/o		b				●						●		●	●							c	c	●		●			h	●	●			p		
Wachovia Bank & Trust Co.	●	●	c		b	●	●		●	●		●	c		●	●	●	d		●	a	●	●		c	c	●		●			h	●	●			p		
OHIO																																						
AmeriTrust Co.	●	a	c		b	●			●	●					●	●	●	●		z	a	●	●		c							h	●	●	●		p		
BancOhio National Bank	●	●			b				●						●	●	●			●	a				c				●			●	●	●	●		c/p		
Bank One, Dayton	●	a	c		b		●		●	●			c		●	●	●	●		●	a	●	●		c				●			●	●	●	●		c/p		
Central National Bank	●	a			b		●		●	●					●		●			●	a	●	●		e				●			●	●	●			p		
Central Trust Co.	●	●			b				●						●	●	●			●	a	●	●		a				●			h		●	●		p		
Fifth Third Bank	●	●	c		b	●	●		●				c		●	●	●	●		●	g	●	●		e							●	●	●			p		
Huntington National Bank	●	a			b	●	●		●	●			c		●	●	●	●		●	g	●	●						●			●	●	●	●		p		

BANK SERVICES

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	Lockboxing — retail	Lockboxing — wholesale	Disbursement — alternatives	Disbursement — delayed funding	Disbursement — controlled	Terminal-initiated W/Ts	Terminal-initiated com. ppr.	Other communications	Terminal-based stop pmts.	Electronic DTCs	Corporate trade payments	Direct deposit	ACH	Foreign exchange trading	Foreign exchange advisory	Letters of credit	Collections	Lockbox/disbursement	Stand-alone consulting	Other consulting	Other studies	Separate management	Sweep	Zero balance accounts	Payable thru drafts	Account reconciliation	Treasury workstation	Other
Toledo Trust Co.		•			b			•						•	•	•	•		•	•	•	•			•			•	•	•		p
OKLAHOMA																															
Central National Bank of Enid					•		c	•		•		c		•		•									•			h	•	•		p
OREGON																															
First Interstate Bank of Oregon	•	a	c		b	•	c		•	•			c		•	•	•	•		z	g	•	•		c	c	•		•	•	•	c/p
PENNSYLVANIA																															
Continental Bank		•			•			•						•		•			•	•				c				h		•		p
Industrial Valley Bank		a			b			•						•	•	•	•		•	•	•			c				h	•	•		p
Mellon Bank	•	a	c		b		•		•	•	c			•	•	•	•		z	g	•			c		•		•	•	•	•	c/p
Meridian Bancorp Inc.	•	•	c		•			•			c			•	•	•	•		•	•	•	•		c	c			•	•	•		c/p
Philadelphia National Bank	•	•	c		b	•		•	•		c			•	•	•	•		z	g	•	•		c	c	•		•	•	•		c/p
Pittsburgh National Bank	•	a	c		b	•	•	•	•		c			•	•	•	•		•	•	•	•		c	c	•		•	•	•	•	p
RHODE ISLAND																															
Fleet National Bank		•			b			•	•					•	•	•			•	•	•	•		c				•	•			p
TENNESSEE																															
First American National Bank	•	•	c		b			•						•	•	•	•		•	•	•							•				p
TEXAS																															
First City Bank of Dallas	•	•	%c		•	•	•	•	•		•			•		•			•	e								•	•	•	•	p
Frost National Bank	•	a			b			•	•					•	•	•	•		•	e				c			•	•	•			p
InterFirst Bank Houston	•	•	%c		b		•	•						•		•	•		•	•	•	•		c	c			•	h	•	•	p
MBank Austin	•	•			b			•	•							•			•	•	•	•							h	•	•		p
MBank Dallas	•	•	c		b			•	•		•			•	•	•	•		•	•				c			•		h	•	•	•	p
Nat'l Bank of Commerce of San Antonio	•	•			b			•					c	•	•	•	•		•	•	•	•							h	•	•	•	c/p
RepublicBank Houston	•	•	c		b	•	c		•	•		•		•	•	•	•		z	•	•	•							h	•	•	•	c/p
Texas American Bank Fort Worth	•	a			•		•		•					•		•	•		•	g	•	•		c	c			•		•	•	•	p
Texas Commerce Bank, Houston	•	a	c		b	•	•		•	•		•	c		•	•	•		•	g	•						•		•	•	•	•	c/p
UTAH																															
First Interstate Bank of Utah	•	a	c		b	•			•	•			c		•	•	•		•	g				c				•	h	•	•	•	c/p
VIRGINIA																															
Bank of Virginia	•	•	c		•				•	•					•	•	•	•	•	e	•			c				•	h	•	•	•	c/p
Sovran Bank	•	a	c		b	•			•	•					•	•	•	•	•	e	•	•		c				•	h	•	•	•	p
WASHINGTON																															
First Interstate Bank of Washington	•	a	c		•	c			•	•			c		•	•	•	•	•	g	•			c		•			h	•	•	•	p
Rainier National Bank	•	a	c		b	•	•		•	•			c		•	•	•	•	z	g	•	•		c	c			•	•	•	•	•	c/p
Seattle-First National Bank		•			b				•	•					•		•	•	z	e	•			c		•			•	•	•	•	p
WISCONSIN																															
First Wisconsin Nat'l Bank of Milwaukee	•	a			b		•	•	•		•	c		•	•	•	•		z	e	•	•		c	c				•	•	•	•	p
Marine Bank	•	•			b	•	•		•	•					•		•	•	•	e	•	•		c					•	•	•		p
M&I Marshall & Ilsley Bank	•	a			b		•		•	•		•	c		•	•	•	•	•	e	•	•		c			•	•	h	•	•		c/p
CANADA																															
Bank of Nova Scotia	•	a	o					•	•			c		•	•	•	•		•	e	•	•		c	c	•		•	h	•	•		c/p
Canadian Imperial Bank of Commerce	•	a	%c					•	•			c		•	•	•	•		•	g	•	•		c	c	•		•	h	•	•	•	p
Toronto-Dominion Bank	•	a	%c		b	•	•		•	•	•	•			•	•	•		z	g	•	•		c	c	•		•	h	•	•		c/p

U.S. banks

a

American Fletcher National Bank
111 Monument Circle, Indianapolis, Ind. 46277; (317) 639-8490

Fortune 1000 lockbox clients: 5.
Fortune 1000 disbursement clients: 5.
Fortune 1000 total clients: 10.
Financial services clients: 300.
Representative clients: Eli Lilly, RCA Corp.
Executive: R. Joseph Dennis, vice president.
Contact: Mr. Dennis.
American Fletcher National Bank is a member of the BankLink balance reporting network.

The treasury workstation was developed by ADP Network Services.

American Security Bank
1501 Pennsylvania Ave. N.W., Washington, D.C. 20013; (202) 624-1035

C.M. professionals: 5.
Executive: Richard Clarke, vice president.
Contact: Mr. Clarke.
American Security Bank is a member of the BankLink balance reporting network.
Its account reconciliation package was developed by Disc Inc. The treasury workstation is MicroCTS, developed by Capital Systems Group Inc.

AmeriTrust Co.
900 Euclid Ave., Cleveland, Ohio 44101; (216) 687-4219

C.M. professionals: 10.
Fortune 1000 lockbox clients: 100.
Fortune 1000 disbursement clients: 50.
Fortune 1000 total clients: 150.
Financial services clients: 10.
Representative clients: GM, GE, LTV Steel, Nationwide Insurance.
Executive: Donald G. Broomfield, vice president.
Contact: Mr. Broomfield.
AmeriTrust Co. operates a standalone lockbox processing facility in Cincinnati.
The bank uses the Interactive Data Corp. system for its balance reporting.
Its account reconciliation package was developed by Disc Inc.
Its treasury workstation was developed by Interactive Data.

AmSouth Bank
P.O. Box 11007, Birmingham, Ala. 35288; (205) 326-5758

C.M. professionals: 2.
Executive: David A. Simmons, manager-cash management department.
Contact: Cash Management Dept.
AmSouth Bank uses the NDC system for its balance reporting.
Its account reconciliation package was developed by Disc Inc.

b

BancOhio National Bank
155 E. Broad St., Columbus, Ohio 43265; (614) 463-8484

Special services: Deposit reconcilement, intraday balance reporting, payroll, cash concentration.
C.M. professionals: 15.
Executive: John J. Brennan, vice president.
BancOhio National Bank uses the ADP balance reporting network.
Its account reconciliation package was developed by Disc Inc. and its treasury workstation is MicroCTS, developed by Capital Systems Group.

Bank of America
P.O.Box 37000, San Francisco, Calif. 94109; (415) 953-4105

Special services: Account reconcilement (full/partial), deposit concentration and depository services (cash vault, commercial accounts).
C.M. professionals: 150.
Fortune 1000 lockbox clients: 900.
Fortune 1000 disbursement clients: 200.
Fortune 1000 total clients: 900.
Financial services clients: 100.
Representative clients: United Technologies, Equitable, Arco, Sears.
Executive: Thomas A. Cooper, executive vice president, Bank of America payments services.
Contact: James W. Putnam, vice president, sales and consulting.
Bank of America has stand-alone lockbox processing facilities in San Francisco, Los Angeles and Seattle. It plans to open a Boston site in August.
The bank uses its own system for its balance reporting.
The consulting group also does treasury reviews (domestic and international) and bank evaluations.
The bank developed its own account reconciliation system and treasury workstation.

Bank of Boston
100 Federal St., Boston, Mass. 02131; (617) 434-3870

C.M. professionals: 30.
Executive: Stephen J. MacQuarrie, first vice president.
Contact: Susan M. Rugnetta, assistant vice president.
Bank of Boston is a member of the ImageNet lockbox network.
The bank has its own balance reporting system. It has international lockboxing sites in London, Paris, Frankfurt, Luxembourg, Milan and Canada.
The account reconciliation package was developed by Disc Inc.

Bank of Delaware
300 Delaware Ave., Wilmington, Del. 19899; (302) 429-1287

C.M. professionals: 3.
Representative clients: Du Pont, W.L. Gore & Associates, Himont, Preston Trucking.
Executive: John A. McKenna, vice president.
Contact: Mr. McKenna.
Bank of Delaware uses the ADP Network Services system of balance reporting.
Its account reconciliation package was developed by Disc Inc.

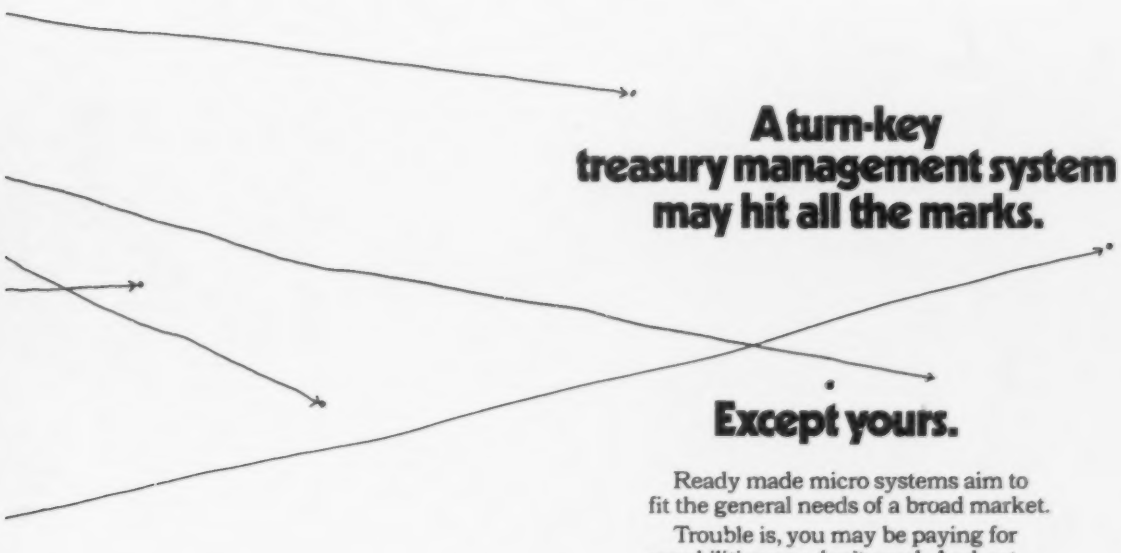
Bank of Hawaii
P.O. Box 2900, Honolulu, Hawaii 96846; (808) 537-8111

C.M. professionals: 4.
Financial services clients: 30.
Executive: Roy K. Amemiya Jr., manager-cash management department.
Bank of Hawaii is a member of the us$net lockbox network.
The bank is a member of the BankLink balance reporting network.
Its account reconciliation package was developed in-house.

Bank of New England
28 State St., Boston, Mass. 02106; (617) 973-6004

Special services: Complete payroll and human resource service.
C.M. professionals: 20.
Fortune 1000 lockbox clients: 359.
Fortune 1000 disbursement clients: 284.
Fortune 1000 total clients: 378.
Financial services clients: 15.
Executive: John R. Mutschler, vice president.
Contact: Mr. Mutschler.
Bank of New England is a member of the us$net lockbox network.
The bank uses the BankLink system for its balance reporting.
The consulting group does com-

The institutional brokerage survey will run Sept. 30.



A turn-key treasury management system may hit all the marks.

Except yours.

Ready made micro systems aim to fit the general needs of a broad market.

Trouble is, you may be paying for capabilities you don't need. And not getting some you do.

Alternative: consult Continental.

We don't try to lock you into any particular system. Don't have to. Our mainframe has one of the biggest capture and storage capacities in the business. And it can be accessed with almost any kind of micro system. Even one that uses inexpensive off-the-shelf software.

Our people show your people how to design a system you can call your own. How to program it. How to move data from our mainframe to your worksheets. In your format. With your micro.

You get precisely what you want. No more. No less.

And that's all you pay for. No more. No less.

So your treasury has more treasure to manage.

And you get a medal for marksmanship.

CONTINENTAL BANK

Continental Illinois National Bank and Trust Company of Chicago, 231 South LaSalle Street, Chicago, Illinois 60697. G. William Marquardt, Vice President, (312) 828-7482

plete cash management analysis.

Its account reconciliation package was developed by Disc Inc. Its treasury workstation is offered in conjunction with BankLink and ICM.

The Bank of New York

48 Wall St., New York, N.Y. 10015; (212) 530-1748

Executive: W. Alden Anderson, senior vice president.
Contact: Mr. Anderson.

The Bank of New York operates its own regional lockbox network with stand-alone lockbox processing facilities in New York City, Harrison, N.Y., and Wilmington, Del.

The bank reports its balances both through ADP Network Services and an internally developed system.

It has its own account reconciliation package.

Its treasury workstation is MicroCTS, which was developed by Capital Systems Group.

Bank of Virginia

7 N. Eighth St., Richmond, Va. 23260; (804) 771-7000

Special services: Freight payment, paycheck plan.
C.M. professionals: 9.
Fortune 1000 lockbox clients: 3.
Fortune 1000 disbursement clients: 10.
Fortune 1000 total clients: 29.
Financial services clients: 17.
Representative clients: Best Products, Dominion Resources, Reynolds Metals.
Executive: Douglas T. Lubieoski, senior vice president.
Contact: Harold L. Hughey, vice president.

Bank of Virginia has a stand-alone lockbox processing facility in Springfield, Va.

The bank uses the BankLink system for its balance reporting.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation was developed by Arthur Young and Co.

Bank One, Dayton

Kettering Tower, Dayton, Ohio 45401; (513) 449-8648

Special services: MIS reporting and deposit reporting.
C.M. professionals: 4.
Fortune 1000 lockbox clients: 7.
Fortune 1000 disbursement clients: 15.
Fortune 1000 total clients: 30.
Financial services clients: 20.
Representative clients: NCR, Mead, DAYCO, Philips Industries.
Executive: A. Richard Parker, vice president.
Contact: Mr. Parker.

Bank One, Dayton has stand-alone lockbox processing facilities in Cleveland, Akron and Columbus, Ohio.

The bank uses the BankLink system for its balance reporting.

Terminal-initiated services not on the chart include ACH, treasury management and SWIFT.

Its lockbox/disbursement studies are based on the Focus and Duke models.

Its account reconciliation package was developed by Disc Inc. and its treasury workstation, by ADS Associates.

The Boatmen's National Bank of St. Louis

100 N. Broadway, Boatmen's Tower, St. Louis, Mo. 63102; (314) 425-7663

C.M. professionals: 3.
Executive: Allen J. Grieve, vice president, director of corporate services.
Contact: Mr. Grieve.

The Boatmen's National Bank of St. Louis has stand-alone lockbox processing facilities in Kansas City, Mo.

Terminal-initiated services not on the chart include ACH cash concentration and disbursement.

Its account reconciliation package was developed by Disc Inc.

Branch Banking and Trust Co.

P.O. Box 1847, Wilson, N.C. 27893; (919) 399-4527

C.M. professionals: 5.
Financial services clients: 500
Executive: George F. Markle, manager and vice president-cash management services.

Branch Banking and Trust Co. uses the ADP system for its balance reporting.

The consulting group offers on-site preliminary flow charting analysis.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by ADP Network Services.

Centerre Bank

1 Centerre Plaza, St. Louis, Mo. 63101; (314) 554-6906

C.M. professionals: 19.
Executive: George D. Horn, vice president.
Contact: Mr. Horn.

Centerre Bank is a member of the Imagenet lockbox network.

The bank has its own balance reporting system.

The consulting group offers cash concentration and micro system design.

Disc Inc. developed its account reconciliation system; its treasury workstation was developed in-house.

Central Bank of Denver

1515 Arapahoe St., Denver, Colo. 80292; (303) 893-3456

C.M. professionals: 3.
Financial services clients: 15.
Contact: Stephen P. Klekotka, assistant vice president, manager-corporate cash management services.
Representative clients: Public Service Co. of Colorado, Frontier Airlines, Jones InterCable, BA Mortgage & International Realty Co.

Central Bank of Denver is a member of the BankLink balance reporting network.

Its account reconciliation package was developed by Disc Inc.

Central National Bank

P.O. Box 6179, Cleveland, Ohio 44101; (216) 344-3000

C.M. professionals: 4.
Executive: James R. Flowers, vice president and manager.
Contact: James R. Rubenson, vice president.

Central National Bank uses the BankLink system for its balance reporting.

Its account reconciliation package was developed by Disc Inc.

Central National Bank & Trust Co. of Enid

P.O. Box 3448, Enid, Okla. 73702; (405) 233-3535

C.M. professionals: 4.
Executive: Charlene Smyly, vice president.

Central National Bank & Trust Co. of Enid is a member of the Security Pacific disbursement network.

The bank uses its own system for balance reporting.

Central National Bank also offers terminal-initiated research data — collected position.

Its account reconciliation package was developed in-house.

The Central Trust Co.

Central Trust Center, Cincinnati, Ohio 45202; (513) 651-8687

C.M. professionals: 3.
Fortune 1000 lockbox clients: 10.
Fortune 1000 disbursement clients: 12.
Fortune 1000 total clients: 20.
Financial services clients: 4.
Representative clients: Cargill, Cincinnati Bell, MCI, Procter & Gambel.
Executive: Ray D. Mallory, vice president.
Contact: James G. Hamberg, assistant vice president.

The Central Trust Co. uses the IDC system for its balance reporting.

Its account reconciliation package was developed in-house; its treasury workstation was designed by IDC.

The Chase Manhattan Bank

195 Broadway, 10th Floor, New York, N.Y. 10007; (212) 669-6040

Special services: Check safekeeping, simulated-voice balance notification, ACH point of sale/debit card transactions and customer-initiated entries, consulting, international studies and international customized treasury software.
C.M. professionals: 375.
Representative clients: W.R. Grace, Johnson & Johnson, Pfeizer, PepsiCo.
Executive: William J. Osterman, vice president.
Contact: Joseph J. Artus, vice president.

The Chase Manhattan Bank has its own lockbox network, Cheqnet, as well as stand-alone lockbox sites in Atlanta, New York, Chicago, Dallas and San Francisco.

The bank uses Infocash, its own balance reporting system. Terminal-initiated services not on the chart include regional balance reporter for domestic accounts, electronic funds transfer, current-day reporter, foreign exchange reporter and transfer, DTC reporter and target balance manager.

The bank offers overseas lockboxing sites on a case-by-case basis.

Disbursement is based on an in-house model.

Its account reconciliation package was developed by Disc Inc. and its treasury workstation by Integrated Cash Management in association with Chase.

Chemical Bank

380 Madison Ave., New York, N.Y. 10017; (212) 309-5639

Special services: Time-sharing based portfolio management system and debt management system.
C.M. professionals: 50.
Fortune 1000 lockbox clients: 125.
Executive: Peter Bartko, vice president.
Contact: Kay Shackleton, vice president.

Chemical Bank developed the BankLink balance reporting network and spun it off into a subsidiary this year.

The bank offers numerous on-line and PC-driven services.

Chemical has international lockboxing sites in Paris, Brussels, London and Frankfurt.

Its account reconciliation package was developed by Disc Inc.

Its treasury workstation was developed by ICM.

Citibank

399 Park Ave., New York, N.Y. 10043; (212) 559-0827

Special services: Citi-file, tax-filing service.
Executive: Garrett Goodbody, vice president.
Contact: Mr. Goodbody.

Beside those terminal-initiated services on the chart, Citibank also offers ACH, DTC and reconcilement adjustments.

Studies available include global and domestic treasury management reviews, back-office reviews, systems and information analysis consulting, concentration analysis and international netting.

The bank's account reconciliation and treasury workstation were developed in-house.

The Citizens and Southern National Bank

P.O. Box 4899, Atlanta, Ga. 30302-4899; (404) 581-3108

Special services: Preauthorized collections, corporate high speed deposits, check safekeeping, paid data transmission and freight payment services.

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Directory

C.M. professionals: 12.
Executive: H.B. (Rhen) Cain, executive vice president.
Contact: Joseph C. Webb, senior vice president.
The Citizens and Southern National Bank is a member of the Imagenet lockbox network.
The bank plans to open a stand-alone site in Florida and initiate a disbursement network in Florida and Georgia next year.
It uses the National Data Corp. system for its balance reporting. Terminal-initiated services not on the chart include ACH and concentration.
Its account reconciliation package was developed by Disc Inc.
Its treasury workstation was developed by IBM.

City National Bank
400 N. Roxbury Drive, Beverly Hills, Calif. 90210; (213) 480-7119

C.M. professionals: 15.
Executive: Robert C. Mizell Jr., vice president and manager.
Contact: Dolores Spasbo, vice president and manager-corporate services marketing.
City National Bank uses the BankLink system for its balance reporting. Terminal-initiated services not on the chart include investment rates, deposit reporting and float reporting.
Its account reconciliation package was internally developed.

Colorado National Banks
P.O. Box 5168, Denver, Colo. 80217; (303) 893-1862

C.M. professionals: 8.
Executive: David E. Skoglund, vice president and manager-cash management division.
Contact: Mr. Skoglund.
Colorado National Banks uses the NDC network for balance reporting.
Its account reconciliation package was developed in-house.

Commerce Bank of Kansas City
P.O. Box 248, Kansas City, Mo. 64141; (816) 234-2709

C.M. professionals: 5.
Fortune 1000 lockbox clients: 70.
Fortune 1000 disbursement clients: 10.
Fortune 1000 total clients: 25.
Executive: David L. Scott, vice president.
Contact: Mr. Scott.
Commerce Bank of Kansas City uses the BankLink system for its balance reporting. Terminal-initiated services not listed on the chart include transaction detail, cash concentration, lockbox reporting, balance history and wire transfers.
Its account reconciliation package was developed in-house and its treasury workstation, by BankLink and ICM.

Connecticut Bank and Trust
1 Constitution Plaza, Hartford, Conn. 06115; (203) 244-4991

Special services: Deposit tracking (reconciliation) for companies with multiple locations depositing into one account.
C.M. professionals: 19
Representative clients: Hartford Insurance Group.
Executive: Douglas Grover, vice president.
Contact: Donald Waggaman, assistant treasurer, at (203) 547-4148.
Connecticut Bank and Trust Co. has stand-alone lockbox processing facilities in Hartford and Stamford, Conn.
The bank uses the BankLink system for its balance reporting.
Its account reconciliation package was developed internally.

Connecticut National Bank
777 Main St., Hartford, Conn. 06115; (203) 728-2000

C.M. professionals: 25.
Fortune 1000 lockbox clients: 100 plus.
Fortune 1000 disbursement clients: 100 plus.
Executives: Pamela M. Drouin, vice president and manager-cash management sales; Stephen C. Holohan, vice president and manager-cash management services produce development.
Contact: Ms. Drouin.
Connecticut National Bank has its own national lockbox network.
It has stand-alone lockbox processing facilities in Hartford and Stamford, Conn.
The bank's account reconciliation package was developed in-house; its treasury workstation is MicroCTS, developed by Capital Systems Group.

Continental Bank
1201 Chestnut St., Philadelphia, Pa. 19107; (215) 564-7178

C.M. professionals: 3.
Representative clients: SILO, Day & Zimmerman, Kulicke & Soffa Industries, Haab Oil Co.
Executive: Thomas M. Mulhern, vice president.
Contact: Mr. Mulhern.
Continental Bank uses the ADP Network Services balance reporting network.
Its account reconciliation package was developed by Disc Inc.

Continental Illinois National Bank & Trust Co. of Chicago
231 S. LaSalle St., Chicago, Ill. 60697; (312) 828-3716

Special services: Terminal-based EFT advice.
C.M. professionals: 85.
Fortune 1000 lockbox clients: 700.
Fortune 1000 disbursement clients: 500.
Fortune 1000 total clients: 700.
Financial services clients: 200.
Executive: Charles A. Huston, vice president.
Contact: Mr. Huston.
Continental Illinois uses its own system for balance reporting. Terminal-initiated services not on the chart include corporate trade payments and universal payments.
The consulting group offers studies on concentration, cash flow forecasting, comprehensive, in-country and treasury automation review.
Its account reconciliation package was developed in-house.

d

Delaware Trust Co.
900 Market St., Wilmington, Del. 19801; (302) 421-7451

C.M. professionals: 3.
Executive: Kemp A. Wright, vice president.
Contact: Mr. Wright.

Pensions & Investment Age's annual survey of corporate cash managers will be published Aug. 19.

Deposit Guaranty National Bank
1 Deposit Guaranty Plaza, Jackson, Miss. 39201; (601) 354-8211

Special services: Automated payroll services.
C.M. professionals: 3.
Executive: Alan Walters, vice president.
Contact: Jill M. Rushing, assistant vice president; John R. Fraiser, corporate services officer.
Deposit Guaranty National Bank uses the NDC system for its balance reporting.

e

Equitable Bank
100 S. Charles St., Baltimore, Md. 21201; (301) 547-4160

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Special services: Freight payment and payroll.
C.M. professionals: 9.
Executive: Thomas L. LeCain, vice president.
Contact: Mr. LeCain.
Equitable Bank uses the BankLink system for its balance reporting.
Its account reconciliation package was developed by Disc Inc.

f

The Fifth Third Bank
38 Fountain Square Plaza, Cincinnati, Ohio 45263; (513) 579-4163

C.M. professionals: 5.
Executive: James L. Doepker, assistant vice president.
Contact: Mr. Doepker.
The Fifth Third Bank uses the IDC system for its balance reporting. Terminal-initiated services not listed on the chart include ACH debits/credits.
The bank has an international lockboxing site in Toronto.
Its account reconciliation package was developed by Disc Inc.

First American National Bank
First American Center, Nashville, Tenn. 37237; (615) 748-2930

C.M. professionals: 9.
Executive: Tipton H. Evans, vice president.
Contact: Mr. Evans.
First American National Bank also has stand-alone lockbox processing facilities in Memphis, Knoxville and Kingsport, Tenn.
The bank uses the IDC system for its balance reporting.
Its account reconciliation package was developed by Disc Inc.

First City Bank of Dallas
First City Center, P.O. Box 661700, Dallas, Texas 75266-1700; (214) 939-8157

C.M. professionals: 8.
Fortune 1000 lockbox clients: 20.
Fortune 1000 disbursement clients: 8.
Fortune 1000 total clients: 45.
Financial services clients: 5.
Executive: Richard F. Hickman, senior vice president.
Contact: James G. Stokes, vice president.
First City Bank of Dallas has stand-alone lockbox processing facilities in Houston and Austin, Texas.
The bank uses its own system for balance reporting.
Its account reconciliation package was developed by Disc Inc., its treasury workstation by Chemical.

First Fidelity Bank, New Jersey
550 Broad St., Newark, N.J. 07192; (201) 565-3387

C.M. professionals: 12.
Fortune 1000 lockbox clients: 50.
Fortune 1000 disbursement clients: 50.
Fortune 1000 total clients: 100.
Financial services clients: 20.
Executive: Robert L. Verderame, senior vice president.
Contact: Mr. Verderame.
First Fidelity Bank, New Jersey is a member of the Chemlink balance reporting network.

First Florida Banks
P.O. Box 1810, 111 Madison St., Tampa, Fla. 33601; (813) 224-1111

C.M. professionals: 4.
Financial services clients: 70.
Representative clients: General Electric, General Telephone, Conagra, Maas Bros.
Executive: Clint H. Monts de Oca, vice president.
Contact: Corporate Services Dept. at (813) 224-1425.
First Florida Banks uses the IDC system for its balance reporting.
The bank's account reconciliation package was developed by Disc Inc.; its treasury workstation by IDC.

First Interstate Bank Ltd.
707 Wilshire Blvd. W28-9, Los Angeles, Calif. 90017; (213) 614-3874

Special services: First Interstate cash concentrators.
C.M. professionals: 50.
Fortune 1000 lockbox clients: 150.
Fortune 1000 disbursement clients: 150.
Fortune 1000 total clients: 300.
Financial services clients: 200.
Executive: Russell K. Snow Jr., senior vice president-corporate services.
Contact: Jan R. Cloyde, vice president and manager-cash management sales.
First Interstate Bank Ltd. has its own lockbox network. Singapore, Tokyo, Madrid, London, Seoul, Vancouver and Toronto are its overseas lockboxing sites.
It uses the BankLink system for its balance reporting.
Its account reconciliation package was developed by Disc Inc. and its treasury workstation by ADS Associates.

First Interstate Bank of Oregon
P.O. Box 3131, Portland, Ore. 97208; (503) 225-7059

Special services: Cash concentrator, truncation.
C.M. professionals: 7.
Executive: Charles Stuart, vice president and manager-cash management services.
Contact: Jeanne Rohlf, consulting manager.
First Interstate banks operate their own lockbox and disbursement networks with stand-alone lockbox processing facilities in Portland, Seattle, San Francisco, Los Angeles, Reno, Las Vegas, Boise, Salt Lake City, Phoenix and Denver.
The bank uses the BankLink balance reporting system.
The bank has international lockboxing sites in Canada and Tokyo.
The consulting group offers general cash management studies and responses to outside requests for proposals.
Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by ADS Associates.

First Interstate Bank of Utah
180 S. Main St., Salt Lake City, Utah 84142; (801) 350-7701

Special services: Multistate automated cash concentration.
C.M. professionals: 3.
Fortune 1000 lockbox clients: 5.
Fortune 1000 total clients: 5.
Financial services clients: 1.
Executive: John E. Day, vice president and manager.
Contact: Mr. Day.
First Interstate Bank of Utah is a member of the First Interstate lockbox network.
The bank uses the BankLink system for its balance reporting. It has international lockboxing sites in Hong Kong, London, Madrid, Manila, Seoul, Singapore, Taipei, Tokyo, Toronto and Vancouver.
Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by ADS Associates.

First Interstate Bank of Washington
P.O. Box 160, Seattle, Wash. 98104; (206) 292-3611

C.M. professionals: 6.
Executive: Donovan E. Olson, senior vice president and manager.
Contact: Jonelle M. Carr and Kathy Mather, assistant vice presidents.
First Interstate Bank of Washington is a member of the First Interstate lockbox network. It has an overseas lockbox site in London.
The bank uses the BankLink system for its balance reporting.
It also offers terminal-initiated internal transfers.
The bank's account reconciliation package was developed by Disc Inc.

its treasury workstation, by ADS Associates.

First National Bank in Albuquerque

P.O. Box 1305, Albuquerque, N.M. 87103; (505) 765-4190

C.M. professionals: 3.
Fortune 1000 lockbox clients: 1.
Fortune 1000 disbursement clients: 3.
Fortune 1000 total clients: 7.
Representative clients: Public Service Co. of N.M., State of N.M., Smiths.
Executive: Fred M. Spuhler, senior vice president.
Contact: Mr. Spuhler.

First National Bank in Albuquerque uses both the NDC system and an in-house developed system for balance reporting. Terminal-initiated services not listed on the chart are on-line statement inquiry and account-to-account transfers.

The First National Bank of Atlanta

2 Peachtree St. N.W., MC204, Atlanta, Ga. 30383; (404) 588-5789

Special services: Weekend concentration, freight payments, First Word and Cash Management Forum (publications), pre-encoded deposits and seminars.
C.M. professionals: 17.
Fortune 1000 lockbox clients: 114.
Fortune 1000 disbursement clients: 95.
Fortune 1000 total clients: 320.
Financial services clients: 59.
Executive: Donald M. MacLeod, vice president and manager-cash management division.
Contact: Mr. MacLeod.

The First National Bank of Atlanta uses the BankLink system for its balance reporting.

The consulting group offers critiques of studies and internal consulting.

Its account reconciliation package was developed by Disc Inc.

The First National Bank of Chicago

1 First National Plaza, Chicago, Ill. 60670; (312) 732-4000

Special services: Comtrac-freight payment, payroll services and corporate securities.
Fortune 1000 lockbox clients: 300.
Fortune 1000 disbursement clients: 500.
Fortune 1000 total clients: 750.
Financial services clients: 100.
Executive: Scott Bates, vice president.

The First National Bank of Chicago provides its own nationwide lockbox network with stand-alone lockbox processing facilities in New York/Newark, N.J.; Los Angeles/Pasadena, Calif.; Atlanta, Dallas and Chicago.

The bank uses its own system of balance reporting.

The consulting group also offers opportunity audits, bank evaluation/implementation and treasury management information systems.

The bank purchased the source code for Future Technologies' treasury workstation and reconfigured the software into FirstManager.

First National Bank of Maryland

P.O. Box 1596, Baltimore, Md. 21203; (301) 244-3890

C.M. professionals: 19.
Executive: J. William Murray, senior vice president.
Contact: Margaret E. Breeden, vice president.

First National Bank of Maryland is a member of the us$net lockbox network. It has stand-alone lockbox processing facilities in Washington, D.C.

The bank uses the BankLink system for its balance reporting.

Its account reconciliation package was developed in-house. First Maryland distributes the MicroCTS treasury workstation from Capital Systems Group.

First National Bank of Omaha

1 First National Center, Omaha, Neb. 68134; (402) 341-0500, ext. 2413

Special services: Payable through drafts, drawdowns, serial sorting of checks, depository transfer service.
C.M. professionals: 2.
Fortune 1000 disbursement clients: 1.
Fortune 1000 total clients: 2.
Financial services clients: 23.
Representative clients: Bozell & Jacobs, Blue Cross Blue Shield, Federal Intermediate Credit Banks, Mutual of Omaha.
Executive: Deb Yaley, manager.
Contact: Ms. Yaley.

First National Bank of Omaha uses the IDC system for balance reporting. Terminal-initiated services not on the chart include lead bank reporter, depository transfer reporter, bank balance reporter, repetitive money transfer.

Its lockbox/disbursement studies are based on the Phoenix-Hecht Lockbox Evaluator and Postal Survey and the Valutech Disbursement Study.

Its account reconciliation package was developed by Disc Inc.

First Union National Bank

301 S. Tryon St., Charlotte, N.C. 28288; (704) 374-6430

Special services: Freight payment program.
C.M. professionals: 20.
Fortune 1000 lockbox clients: 100.
Fortune 1000 disbursement clients: 200.
Fortune 1000 total clients: 400.
Financial services clients: 11.
Executive: James Hicks, vice president.
Contact: Mr. Hicks.

First Union National Bank uses the ADP system for its balance reporting.

Its consulting group offers treasury systems analysis.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation is MicroCTS from Capital Systems Group.

First Wisconsin National Bank of Milwaukee

777 E. Wisconsin Ave., Milwaukee, Wis. 53202; (414) 765-5317

C.M. professionals: 10.
Representative clients: Northwestern Mutual Life, A.O. Smith, Universal Foods.
Executive: Virginia S. Hollis, vice president.
Contact: Ms. Hollis.

First Wisconsin National Bank of Milwaukee uses both the ADP and IDC systems for its balance reporting. Terminal-initiated services not on the chart include check inquiry, money market rates and economic commentary.

Its account reconciliation system is its own; the treasury workstation is from ADP Network Services.

Fleet National Bank

111 Westminster St., Providence, R.I. 02903; (401) 278-5522

C.M. professionals: 7.
Fortune 1000 disbursement clients: 2.
Fortune 1000 total clients: 3.
Executive: LuAnn Loeber, vice president and manager-corporate cash management.
Contact: Scott W. Fuller, vice president and manager corporate cash management-marketing/sales.

Fleet National Bank uses the IDC system for its balance reporting.

Its account reconciliation package was developed in-house.

Florida National Bank

214 Hogan St., Jacksonville, Fla. 32231; (904) 359-5042

Special services: Single statewide depository services.
C.M. professionals: 12.
Fortune 1000 lockbox clients: 3.
Fortune 1000 disbursement clients: 3.
Fortune 1000 total clients: 12.
Financial services clients: 25.
Representative clients: St. Joe Paper, Florida Power, City of Jacksonville, Alliance Mortgage.
Executive: J. Stewart Baker, vice president cash management.
Contact: Mr. Baker.

Florida National Bank uses the BankLink system for its balance reporting.

The bank's account reconciliation package was developed by Disc Inc.; its treasury workstation, through BankLink.

Fourth National Bank & Trust

P.O. Box 4, Wichita, Kan. 67201; (316) 261-4379

C.M. professionals: 4.
Fortune 1000 lockbox clients: 4.
Fortune 1000 disbursement clients: 5.
Fortune 1000 total clients: 7.
Executive: Gary F. Austin, marketing officer and manager-cash management systems.
Contact: Mr. Austin.

Fourth National Bank & Trust Co. uses the BankLink system for its balance reporting.

Its account reconciliation package was developed in-house.

Frost National Bank

100 W. Houston, San Antonio, Texas 78296; (512) 220-5762

C.M. professionals: 3.
Fortune 1000 lockbox clients: 2.
Fortune 1000 total clients: 9.
Financial services clients: 12.
Executive: Tom Frost III, vice president.
Contact: Mr. Frost.

h

Harris Bank

111 W. Monroe, Chicago, Ill. 60690; (312) 461-2121

C.M. professionals: 52.
Fortune 1000 lockbox clients: 250.
Fortune 1000 disbursement clients: 50.
Financial services clients: 15.
Representative clients: American Hospital, Dun & Bradstreet, American Express, Motorola.
Executive: Roger A. Molzahn, senior vice president.
Contact: Mr. Molzahn.

Harris Bank is a member of the Imagenet lockbox network.

The bank uses the BankLink system for its balance reporting.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation was created in conjunction with ICM and BankLink.

Huntington National Bank

41 S. High St. HC 830, Columbus, Ohio 43260; (614) 463-3816

C.M. professionals: 9.
Fortune 1000 lockbox clients: 26.
Fortune 1000 disbursement clients: 22.
Fortune 1000 total clients: 55.
Financial services clients: 125.
Executive: Penny Bach, vice president.
Contact: Ms. Bach.

Huntington National Bank uses the NDC system for its balance reporting. The bank's account reconciliation package was developed in-house.

i

Indiana National Bank

1 Indiana Square, Indianapolis, Ind. 46266; (317) 266-6525

C.M. professionals: 4.
Representative clients: Bindley Western Industries, Inland Container, Bridgeport Brass, RCA.
Executive: Deborah Alexander, vice president.
Contact: Ms. Alexander.

Indiana National Bank uses the NDC system for its balance reporting.

Its account reconciliation package was developed in-house.

Industrial Valley Bank

1700 Market St., Philadelphia, Pa. 19103; (215) 496-4000

C.M. professionals: 5.
Executive: Robert I. Blanchard, regional vice president.
Contact: James F. Quinlan, assistant vice president.

Industrial Valley Bank uses the ADP Network Services' system for its balance reporting.

Its account reconciliation package was developed by Disc Inc.

InterFirst Bank Houston

P.O. Box 2555, Houston, Texas 77252-2555; (713) 652-6211

C.M. professionals: 3.
Executive: Jerry M. Moyer, vice president-subgroup manager.
Contact: Mr. Moyer.

InterFirst Bank Houston is a member of the InterFirst lockbox network. It also has stand-alone lockbox processing facilities in Dallas.

The bank uses its own system of balance reporting.

InterFirst Bank Houston offers full cash consulting services.

Its account reconciliation package was developed by Disc Inc.

Irving Trust

1 Wall St., New York, N.Y. 10015; (212) 815-6300

C.M. professionals: 35.
Executive: Kenneth Soldwedel, vice president and manager.
Contact: Mr. Soldwedel.

Irving Trust has stand-alone lockbox processing facilities in Newark, N.J.

The bank uses its own system of balance reporting. Terminal-initiated services not on the chart include custody reporting.

The consulting group offers diagnostic studies.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation was developed in-house.

l

Liberty National Bank & Trust Co. of Louisville

416 W. Jefferson St., Louisville, Ky. 40202; (502) 566-2490

C.M. professionals: 5.
Financial services clients: 50.
Representative clients: Dairymen, Blue Cross-Blue Shield, Stewart's, Jefferson County.
Executive: John D. Sweeney, senior vice president.
Contact: Mr. Sweeney.

Liberty National Bank & Trust uses the NDC system for its balance reporting.

Terminal-initiated services not on the chart include treasury management software.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by NDC.

Lloyds Bank California

612 S. Flower St., H12-14, Los Angeles, Calif. 90017; (213) 613-3874

C.M. professionals: 25.
Fortune 1000 lockbox clients: 27.
Fortune 1000 disbursement clients: 22.
Fortune 1000 total clients: 7.
Financial services clients: 25.
Representative clients: Crown-Zellerbach, Ford Motor Credit, Pac-Tel, First Grayline.
Executive: Fred C. Helms, vice president and director.
Contact: Beatrice Jones, vice president.

Lloyds Bank California uses the NDC system for its balance reporting.

The bank has international lockboxing sites in more than 48 countries.

Disc Inc. developed the bank's account reconciliation system; its treasury workstation was privately contracted.

m

Manufacturers Hanover Trust

270 Park Ave., New York, N.Y. 10017; (212) 286-7335

Special services: Records management, global account reporting, account replenishment (ACH), air express remittance.
C.M. professionals: 212.
Executive: Richard J. Matteis, senior vice president.
Contact: James Witkins, vice president, at (212) 808-0264.

Manufacturers Hanover Trust Co. is a member of the us$net lockbox network and the Security Pacific disbursement network.

It uses its own system for balance reporting.

The bank has international lockboxing sites in London, Frankfurt and Toronto.

The consulting group provides customized work including corporate-wide treasury systems studies.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by MH Financial Management Systems, a wholly owned subsidiary.

Manufacturers National Bank of Detroit

Tower-Renaissance Center, Detroit, Mich. 48243; (313) 222-4454

Special services: U.S. savings bonds issuance.
C.M. professionals: 8.
Fortune 1000 lockbox clients: 45.
Fortune 1000 disbursement clients: 23.
Fortune 1000 total clients: 68 plus.
Financial services clients: 11.
Representative clients: Ford, National Steel, Ogden American, Detroit Edison.
Executive: Thomas B. Craigie, vice president and senior corporate services officer.
Contact: Malcolm A. MacKay, second vice president.

Manufacturers National Bank of Detroit uses the BankLink system for its balance reporting.

Disc Inc. developed the bank's account reconciliation system.

Marine Bank

P.O. Box 2033, Milwaukee, Wis. 53201; (414) 765-2814

Executive: Joseph P. Pavlik, vice president.
Contact: Thomas R. Gerdes, assistant vice president.

Marine Bank uses the BankLink system for its balance reporting.

Its account reconciliation package was developed by Disc Inc.

MBank Austin

P.O. Box 2266, Austin, Texas 78780; (512) 479-5400

C.M. professionals: 4.
Fortune 1000 lockbox clients: 1.
Fortune 1000 disbursement clients: 1.
Fortune 1000 total clients: 1.
Financial services clients: 40.
Executive: John Roan, executive vice president.
Contact: Susan Frapart, assistant vice president.

MBank Austin uses the BankLink system for its balance reporting.

Its account reconciliation package was developed by Disc Inc.

MBank Dallas
P.O. Box 225415, Dallas, Texas 75265; (214) 698-6565

C.M. professionals: 20.
Fortune 1000 lockbox clients: 87.
Fortune 1000 disbursement clients: 14.
Fortune 1000 total clients: 310.
Representative clients: Fidelity Investments, Trailways, Mobil, Integrated Resources.
Executive: Thomas J. Lupinacci, senior vice president.
Contact: Mr. Lupinacci.

MBank Dallas has stand-alone lockbox processing facilities in Houston, El Paso and Austin, Texas.

The bank uses the BankLink system for its balance reporting.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by MTech.

Mellon Bank
Mellon Square, Pittsburgh, Pa. 15230; (412) 234-5860

Executive: Theodore M. Mertz, vice president.
Contact: Ed Pierson, vice president.

Mellon Bank has stand-alone lockbox processing facilities in Pittsburgh, Philadelphia, Chicago, Dallas, Los Angeles and Boston.

It uses its own balance reporting system. Terminal-initiated services not on the chart include COF.

The bank has international lockboxing sites in London and Toronto.

Its treasury workstation was developed in-house.

Mercantile Trust Co.
8th & Locust, P.O. Box 524, St. Louis, Mo. 63166; (314) 425-8366

C.M. professionals: 13.
Fortune 1000 lockbox clients: 60.
Fortune 1000 disbursement clients: 40.
Fortune 1000 total clients: 150.
Executive: Leo M. Malone, senior vice president.

Mercantile Trust Co. has stand-alone lockbox processing facilities in St. Louis and Kansas City, Mo.

The bank uses the NDC Cash Exchange system for its balance reporting.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation is MicroCTS from Capital Systems Group.

Merchants National Bank
1 Merchants Plaza, Indianapolis, Ind. 46255; (317) 267-7572

C.M. professionals: 6.
Financial services clients: 10.
Representative clients: Indiana Dept. of Revenue, Associated Dry Goods, Indianapolis Colts, Indiana Farm Bureau Corp.
Executive: Laura A. Bonsett, vice president.
Contact: Ms. Bonsett.

Merchants National Bank uses the BankLink system for its balance reporting.

The bank's account reconciliation package was developed by Disc, Inc.

Meridian Bancorp Inc.
P.O. Box 1102, Reading, Pa. 19603; (215) 320-2906

Special services: Lockbox data transmission, automatic payback (to line of credit), check truncation, preencoded deposits, bulk cash processing, correspondent banking, over-the-counter utility payments.
C.M. professionals: 12.
Fortune 1000 clients: 26.
Executive: Leonard J. Keating Jr., senior vice president.
Contact: Christine A. Kline, assistant vice president.

Meridian Bancorp Inc. has stand-alone lockbox processing facilities in Reading and Philadelphia.

The bank uses the IDC system for its balance reporting.

Terminal-initiated services not on the chart include depository transfers.

The consulting group offers cash concentration and cash management system design.

Its account reconciliation package was developed by Disc Inc.

Pensions & Investment Age's directory of investment management consultants will run Nov. 25.

Michigan National Bank of Detroit
100 N. Crooks, Clawson, Mich. 48017; (313) 280-6200

Executive: John P. Finerty, group vice president.
Contact: Douglas F. Lenehan, vice president.

Michigan National Bank of Detroit uses the ADP system for its balance reporting.

Its treasury workstation is MicroCTS, developed by Capital Systems Group.

M&I Marshall & Ilsley Bank
770 N. Water St., Milwaukee, Wis. 53202; (414) 765-7957

Special services: payroll.
C.M. professionals: 6.
Executive: Rick S. Haagensen, vice president-corporate services.
Contact: Mr. Haagensen.

M&I Marshall & Ilsley Bank uses its own and ADP Network Services' systems for balance reporting. Terminal-initiated services not on the chart include same-day lockbox detail and current investment rates. Its lockbox/disbursement studies are a combination of its own and Phoenix-Hecht. Its account reconciliation package was developed in-house.

Morgan Bank
23 Wall St., New York, N.Y. 10015; (212) 483-2785

Special services: Commercial paper issuance.
Fortune 1000 disbursement clients: 201.
Fortune 1000 total clients: 400.
Financial services clients: 125.
Executive: W.P. Garry, vice president.
Contact: M.J. Tilmant, vice president.

Morgan Bank uses its own system for balance reporting. Terminal-initiated services not on the chart include netting and foreign exchange.

n

National Bank of Commerce of San Antonio
430 Soledad, San Antonio, Texas 78205; (512) 229-2382

Special services: Automated accounting services through ADP.
C.M. professionals: 2.
Financial services clients: 6.
Representative clients: Diamond-Shamrock, H.B. Zachry, Rogers Cable Systems, Target Stores.
Executive: Edwin E. "Gene" Clarke Jr., vice president.
Contact: Karen R. McGough, assistant vice president.

National Bank of Commerce of San Antonio uses the NDC Cash Exchange system for its balance reporting.

Its account reconciliation package was developed in-house; its treasury workstation, by NDC.

National Bank of Detroit
611 Woodward, Detroit, Mich. 48226; (313) 225-1000

C.M. professionals: 34.
Executive: Charles G. Raphael.
Contact: Peter J. Stein.

National Bank of Detroit has a stand-alone lockbox processing facility in Toronto.

Its account reconciliation package was developed by Disc Inc; its treasury workstation was designed in-house.

How Crocker Bank easily fit an integrated collection system to the needs of Levi Strauss & Co.

Electronic and paper invoice information is consolidated, so receivables are buttoned up.
Electronic collection lets Levi's pocket payments without delay.
Crocker fits itself to Levi's instead of the other way around.

In putting together an integrated collection system for Levi Strauss & Co., Crocker demonstrated a capability unique among California banks. Crocker enables Levi's to receive both electronic Corporate Trade Payments (CTPs) and its regular check payments directly into Levi's Crocker lockbox. Crocker then consolidates the two sets of data into one electronic transmission for quick application to Levi's receivables system. Corporate Trade Payments are credited to Levi's accurately and efficiently, improving Levi's cash forecasting ability.

"Crocker worked very closely with our accounts receivable staff," says Ronald Kerns, Asst. Treasurer of Levi Strauss & Co. Crocker's electronic lockbox service reformatted all invoice information which simplified the interface with Levi's system. "It allowed us to convert to CTPs in less than three months."

Crocker adapts its services to the needs of its corporate customers so that major reprogramming can be avoided. With minimum adjustment on your part, you can use our Corporate Trade Payments and other services to help improve your firm's cash management.

We'd like to show you how Crocker can easily fit a cash management system to your needs. For more information, in Northern California, call Ray Souza at (415) 983-3256. In Southern California, call Hugh Hinds, at (213) 253-6281. They can get you the services that meet your needs.

Crocker Bank

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Directory

National Bank of Georgia
2000 River Edge Parkway, Atlanta, Ga. 30328; (404) 951-4530

C.M. professionals: 8.
Financial services clients: 250.
Executive: B.P. Fulmer, group vice president.
Contact: Robin Sterling, senior cash management consultant; Nancy Blake, cash management consultant.
National Bank of Georgia uses IDC for balance reporting.
Its account reconciliation package was developed by Weyland; its treasury workstation, by IDC.

National Processing Co. Inc.
1231 Durrett Lane, Louisville, Ky. 40285-0001; (502) 364-2080

Special services: Merchant bankcard processing, travelers check processing.
C.M. professionals: 7.
Fortune 1000 lockbox clients: 75.
Fortune 1000 total clients: 26.
Financial services clients: 48.
Representative clients: General Electric, R.H. Macy, Montgomery Ward, Southland.
Contact: William M. Schutz, director-sales and marketing.
National Processing Co. Inc., an affiliate of First National Bank of Louisville, has its own lockbox network with stand-alone sites in Louisville, Phoenix and Dallas.
The firm uses the IDC system for its balance reporting.
Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by IDC.

NCNB National Bank of Florida
600 N. Florida Ave., Tampa, Fla. 33602; (813) 224-5454

C.M. professionals: 8.
Representative clients: Equitable National Mortgage, Racal-Milgo, Tampa Electric Co., John Alden Insurance.
Executive: Trudy C. Nix, vice president.
Contact: Rubye Rollins, vice president, in Fort Lauderdale, or Norfleet Stallings, cash management officer, in Tampa.
NCNB National Bank of Florida has stand-alone lockbox processing facilities in Tampa, Fla. and Charlotte, N.C.
The bank uses the BankLink system for its balance reporting.
Terminal-initiated services not on the chart include ACH credits.
The bank's account reconciliation package was developed by Disc Inc. and its treasury workstation, by ADS Associates.

NCNB National Bank of North Carolina
1 NCNB Plaza, Charlotte, N.C. 28255; (704) 374-5698

Special services: Freight payment, deposit reconciliation, corporate cashletter service.
C.M. professionals: 27.
Representative clients: Apple Computer, Exxon, H.J. Heinz, Associates Corp. of North America.
Executive: Harry D. LeTourneau Jr., senior vice president.
Contact: Robert Gant and Robert Warfield, vice presidents.
NCNB National has stand-alone lockbox processing facilities in Charlotte and Tampa, Fla.
The bank is a member of the Security Pacific Payment Network.
It uses the BankLink system for its balance reporting. Terminal-initiated services not on the chart include ACH credits.
The consulting group offers treasury management studies and audits.
The bank's account reconciliation package was developed by Disc Inc., its treasury workstation by ADS Associates.

Norstar Bank of Maine
449 Congress St., Portland, Maine 04101; (207) 773-7600

Financial services clients: 2.
Contact: Susan M. Lamarre, cash management officer, or Margaret Heath, assistant vice president-trust officer.
Norstar Bank of Maine's account reconciliation package was developed by Disc Inc.

The Northern Trust Bank
50 S. LaSalle St., Chicago, Ill. 60675; (312) 630-6000

Special services: Micrecon, which is PC-based reconcilement software; ACH-initiation software, which includes corporate trade payments facility; automated merging of lockbox remittance and corporate trade payment data.
C.M. professionals: 60.
Fortune 500 lockbox clients: 147.
Fortune 500 disbursement clients: 76.
Fortune 500 total clients: 170.
Executive: Joseph M. Jarosz, senior vice president.
Contact: Maureen H. Keane, vice president.
The Northern Trust Bank uses its own balance reporting system.
The bank has international mail intercept capabilities in London and Toronto.
The bank has a PC-based LBX study capability, and also features corporate trade payment consulting.
Both the bank's account reconciliation software and its treasury workstation were developed in-house.

O

Old Kent Bank & Trust Co.
P.O. Box 100, Grand Rapids, Mich. 49501; (616) 774-5509

Special services: Corporate financial forecasting model.
C.M. professionals: 2.
Executive: David W. Lubbers, vice president.
Contact: Larry A. Pinckney, assistant vice president.
Old Kent Bank & Trust Co. uses the IDC system for its balance reporting.
The bank uses the account reconciliation package by Disc Inc.

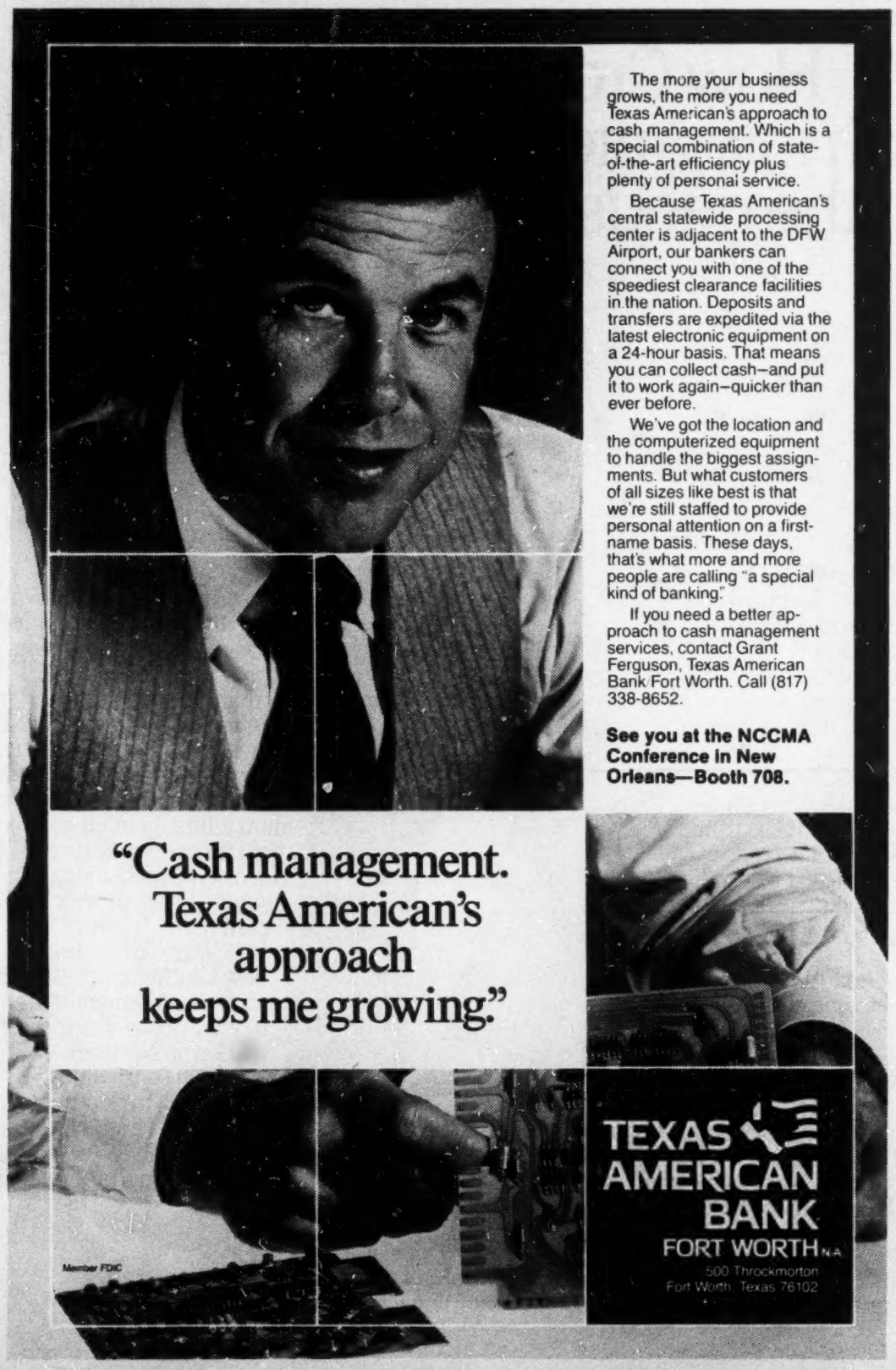
Omaha National Bank
17th and Farnam, Omaha, Neb. 68102; (402) 348-6394

C.M. professionals: 3.
Fortune 1000 lockbox clients: 7.
Fortune 1000 disbursement clients: 5.
Financial services clients: 5.
Representative clients: Mutual of Omaha, Union Pacific Railroad, U S WEST, Nucor Steel.
Executive: Richard D. Nelson, manager-corporate and financial services.
Contact: Jerry J. Sysio, cash management sales representative.
Omaha National Bank uses the BankLink system for its balance reporting.
The bank's lockbox studies are based on the MRS model by UCC.
It developed its own account reconciliation system.

P

Philadelphia National Bank
P.O. Box 7618, Philadelphia, Pa. 19101; (215) 629-3100

Special services: Data transmission/consolidation, freight bill payment, bulk cash processing.
C.M. professionals: 53.
Fortune 1000 lockbox clients: 376.
Fortune 1000 disbursement clients: 195.
Fortune 1000 total clients: 454.
Financial services clients: 100.
Representative clients: Sun Co., Penn Mutual Life, Prudential Insurance, ARA Services.
Executive: Percival B. Moser III, se-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500 Throckmorton
Fort Worth, Texas 76102
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nior vice president.

Contact: Neil A. Leary, vice president.

Philadelphia National Bank is a member of the Imagenet lockbox network.

The bank uses the BankLink system for its balance reporting. Terminal-initiated services not on the chart include DTCs, one-day ACH credits and securities movement.

The bank has overseas lockboxing sites in London and Sydney.

The consulting group also offers studies on bank balance management, full cash management and international receivables.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation is MicroCTS from Capital Systems Group.

Pittsburgh National Bank

Fifth & Wood St., Pittsburgh, Pa. 15265; (412) 355-2858

C.M. professionals: 35.
Fortune 1000 lockbox clients: 100.
Fortune 1000 disbursement clients: 75.
Fortune 1000 total clients: 250.
Financial services clients: 20.
Representative clients: Exxon, Arco, Westinghouse, PepsiCo.
Executive: Robert D. Edwards, vice president and manager-cash management group.
Contact: Mr. Edwards.

Pittsburgh National Bank is a member of the AccelaNet lockbox network.

For balance reporting, it uses the BankLink system.

The bank's consulting group offers treasury systems consulting and corporate trade payments conversion.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by ADS Associates.

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Rainier Bank

600 University P.O. Box 3966, Seattle, Wash. 98124; (206) 621-4326

C.M. professionals: 9.
Executive: James B. Pellegrino, vice president and manager.
Contact: Mr. Pellegrino.

Rainier Bank is a member of the us$net lockbox network and has a stand-alone site in Anchorage, Alaska.

The bank uses the ADP system for its balance reporting. Terminal-initiated services not on the chart include investments.

The bank has an overseas lockboxing site in the Pacific Rim.

Its lockbox/disbursement studies are based on the Duke model. The consulting group also offers deposit studies and float (deposit).

Its account reconciliation package was developed by Disc Inc., its treasury workstation by Capital Systems Group.

RepublicBank Houston

P.O. Box 299001, Houston, Texas 77299; (713) 247-6052

C.M. professionals: 6.
Executive: Stephen E. Utterback, vice president.
Contact: Mr. Utterback.

RepublicBank Houston is a member of the Imagenet lockbox network.

The Payment Network handles the bank's disbursements.

For balance reporting, it uses the ADP system.

Its account reconciliation package was developed by Disc Inc. and its treasury workstation, by ADS Associates.

S

Seattle-First National Bank

P.O. Box 3586, Seattle, Wash. 98124; (206) 442-3278

C.M. professionals: 18.
Fortune 1000 lockbox clients: 95.
Fortune 1000 disbursement clients: 30.
Fortune 1000 total: 250.
Financial services clients: 10.
Executive: David Boyles, vice president and manager.
Contact: Joan Entiknap.

Seattle-First is a member of the NDC balance reporting network.

The bank's account reconciliation software was developed by Disc Inc.

The treasury workstation was developed in-house.

Security Pacific National Bank

333 S. Hope St., Los Angeles, Calif. 90071; (213) 613-5267

C.M. professionals: 50.
Fortune 1000 lockbox clients: 400.
Fortune 1000 disbursement clients: 500.
Fortune 1000 total clients: 700.
Financial services clients: 200.
Executive: Terry L. Feder, senior vice president.
Contact: Chuck Whitney, vice president.

Security Pacific National Bank is a member of the Imagenet lockbox network, with a stand-alone site in San Francisco.

The bank belongs to the Payment Network for disbursements.

Terminal-initiated services not listed in the chart include money market investments.

The bank has international lockboxing sites in London and Toronto.

Its account reconciliation package was developed in-house; its treasury workstation was designed by Integrated Cash Management.

Shawmut Bank of Boston

1 Federal St., Boston, Mass. 02211; (617) 292-3096

Special services: Payroll, accounts receivable, accounts payable, general ledger, tax filing, corporate savings bonds, check safekeeping and federal tax payments.
C.M. professionals: 20.
Executive: Betty Haley, vice president.
Contact: Peter A. Galligan, assistant vice president.

Shawmut Bank of Boston uses its own balance reporting system.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation was developed by IBM.

Southeast Bank

1 Southeast Financial Center, Miami, Fla. 33131; (305) 375-6675

C.M. professionals: 22.
Fortune 1000 lockbox clients: 40.
Fortune 1000 disbursement clients: 75.
Fortune 1000 total: 250.
Financial services clients: 30.
Executive: Beverly P. Chambers, senior vice president.
Contact: Deborah A. Buchanan, vice president.

Southeast Bank has stand-alone lockbox processing facilities in Tampa, Orlando and Jacksonville.

The bank uses the BankLink balance reporting system. Terminal-initiated services not listed in the chart include ACH concentration debits.

Its account reconciliation package is by Disc Inc.; its treasury workstation is the ICM system.

Sovran Bank

P.O. Box 27025, Richmond, Va. 23261; (804) 788-2424

C.M. professionals: 23.
Executive: Michael W. Paulette, senior vice president.

Pensions & Investment Age's annual directory and ranking of leading real estate advisory firms will be published in the Sept. 16 issue.

Weak link?
Cash management services are only as strong as the link between desktop electronics and your bank's operations center. And they don't offer the kind of help you get from Irving Trust Treasury Services. From help with trade financing. To investing cash for the short- or mid-term.
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Contact: Jeffrey W. Lovejoy, assistant vice president, and Gloria M. Daout, vice president.

Sovran Bank has stand-alone lockbox processing facilities in Richmond, Norfolk and Roanoke, Va. and in northern Virginia.

The bank uses the NDC system for its balance reporting.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation was developed by Future Technologies Inc.

State Street Bank & Trust Co.

225 Franklin St., Boston, Mass. 02101; (617) 654-3680

C.M. professionals: 15.
Fortune 1000 lockbox clients: 23.
Fortune 1000 disbursement clients: 15.
Fortune 1000 total: 100.
Representative clients: Century 21 Real Estate, Fireman's Fund Insurance, AT&T, Sears, Roebuck.
Executive: W.H. Kieffer III, vice president.
Contact: Mr. Kieffer.

State Street Bank & Trust Co. uses the NDC balance reporting system.

Its account reconciliation package was developed by Disc Inc.

Sun Bank

P.O. Box 3833, Orlando, Fla. 32897; (305) 237-4015

Special services: Cash vault services.
C.M. professionals: 10.
Executive: Robert W. Pledger, senior vice president.
Contact: Mr. Pledger.

Sun Bank has stand-alone lockbox processing facilities in Miami and Orlando.

The bank is a member of NDC's Cash Management Exchange balance reporting network.

The bank uses an account reconciliation package developed by Disc Inc.

Its treasury workstation is MicroCTS, developed by Capital Systems Group.

t

Texas American Bank/Fort Worth

P.O. Box 2050, Fort Worth, Texas 76113; (817) 338-8652

C.M. professionals: 10.
Fortune 1000 lockbox clients: 10.
Fortune 1000 disbursement clients: 15.
Financial services clients: 25.
Executive: Grant Ferguson, vice president and manager.
Contact: Mr. Ferguson.

Texas American Bank/Fort Worth is a member of the NDC balance reporting network.

The bank offers a limited selection of international lockbox collections sites.

The consulting group offers volume/-velocity studies for investments, along with general consulting.

The bank uses an account reconciliation package from Disc Inc. Arthur Young developed its treasury workstation.

Texas Commerce Bank-Houston

P.O. Box 2558, Houston, Texas 77252-8081; (713) 236-6320

Special services: Check safekeeping, commercial deposit services.
C.M. professionals: 21.
Executive: Jerry N. Boynton, vice president.
Contact: John E. McKemie, vice president.

Texas Commerce Bank has its own lockbox network.

The bank uses the BankLink system for its balance reporting. It has an overseas lockboxing site in London.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation is MicroCTS from Capital Systems Group.

The Toledo Trust Co.

245 Summit St., Toledo, Ohio 43603; (419) 259-8556

C.M. professionals: 4.
Fortune 1000 clients: 1.
Executive: Marylou Zaloudek, vice president-corporate services.
Contact: Ms. Zaloudek.

The Toledo Trust Co. uses its own balance reporting system and account reconciliation package.

Trust Company Bank

P.O. Box 4418, Atlanta, Ga. 30302; (404) 588-7711

C.M. professionals: 9.
Executive: Ward H. Gailey Jr., group vice president.
Contact: Mr. Gailey.

Trust Company Bank is a member of the NDC balance reporting network.

Its account reconciliation package was developed by Disc Inc; its treasury workstation was developed by IBM.

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United Bank of Denver

1700 Broadway, Denver, Colo. 80274; (303) 863-6318

C.M. professionals: 11.
Fortune 1000 lockbox clients: 100.
Fortune 1000 disbursement clients: 150.
Fortune 1000 total: 400.
Financial services clients: 75.
Representative clients: AT&T, Adolph Coors, May, Pillsbury.
Executive: Betsy Olson, vice president.
Contact: Ms. Olson.

United Bank of Denver is a member of the us$net lockbox network.

The bank uses NDC's Cash Management Exchange balance reporting network.

The bank's account reconciliation package was developed by Disc Inc.; its treasury workstation was developed by Future Technologies International.

United Carolina Bank

P.O. Box 250, Monroe, N.C. 28110; (704) 289-7761

C.M. professionals: 6.
Fortune 1000 lockbox clients: 1.
Fortune 1000 total clients: 10.
Financial services clients: 25.
Representative clients: Kemper Insurance, Teledyne, Pfizer, Sunoco.
Executive: David L. Conover, vice president and department manager.

United Carolina Bank has stand-alone lockbox processing facilities in Charlotte, Raleigh, Fayetteville and Wilmington.

The bank uses the Western Union Easylink system for its balance reporting.

Computerized information systems and treasury management audit and analysis are available.

Its account reconciliation package was developed by Disc Inc.

United Jersey Bank

210 Main St., Hackensack, N.J. 07602; (201) 646-5783

Special services: Savings bonds, official check payroll, freight payments.
C.M. professionals: 7.
Fortune 1000 lockbox clients: 55.
Fortune 1000 disbursement clients: 55.
Fortune 1000 clients: 175 plus.
Representative clients: RCA, Faberge, ITT, UPS.
Executive: Santiago Patino, vice president.
Contact: John Quimby, assistant vice president.

United Jersey Bank has stand-alone lockbox processing facilities in Hackensack, Newark and Philadelphia.

It is a member of the IDC balance reporting network.

The bank uses the Disc Inc. account reconciliation package.

United Missouri Bank of Kansas City

P.O. Box 226, Kansas City, Mo. 64141; (816) 556-7054

C.M. professionals: 4.
Executive: Gary F. Foltz, vice president.
Contact: Mr. Foltz.

United Missouri Bank of Kansas City is a member of the ADP balance reporting network.

The bank worked with ADP in developing its treasury workstation.

V

Valley National Bank of Arizona

P.O. Box 71, Phoenix, Ariz. 85001; (602) 261-2900

C.M. professionals: 6.
Executive: James L. Rauschkolb, vice president and manager.
Contact: Mr. Rauschkolb.

The bank is a member of us$net lockboxing network.

For terminal-access balance reporting, BankLink is used.

For account reconciliation, the Disc Inc. system is used; the bank's treasury workstation was developed by Capital Systems Group and BankLink.

W

Wachovia Bank & Trust Co.

P.O. Box 3099, Winston-Salem, N.C. 27150; (919) 748-5496

C.M. professionals: 25.
Executive: Jack M. Mecklor, senior vice president.
Contact: Stephen R. Madden vice president.

Wachovia Bank & Trust Co. has stand-alone lockbox processing facilities in Atlanta and Dallas.

The bank uses the BankLink system for its balance reporting.

Its consulting group offers studies of overall cash management systems and export collections.

The bank's account reconciliation package is a modified version of the Disc package.

Wells Fargo Bank

420 Montgomery St., San Francisco, Calif. 94163; (415) 396-7777

C.M. professionals: 30.
Executive: David P. Kurrasch, vice president.
Contact: Mr. Kurrasch.

Wells Fargo Bank is a member of the us$net lockbox network. It has stand-alone lockbox processing facilities in San Francisco and Los Angeles.

The bank uses its own system for balance reporting.

Its account reconciliation package and treasury workstation were developed in-house.

Pensions & Investment Age will publish a directory of microcomputer products and services for investment managers in October.

The annual guide, which lists products and services of use to investment managers and available for the personal computer will run in the Oct. 14 issue.

U.S. associations

Alabama

Mobile Regional Cash Management Association

Corporate membership: 35.
Corporate members: Morrisons, QMS, OPICO, Dravo Natural Resources, Turner Supply, Colonial Sugars, Ryan Walsh Stevedoring.
Meetings: Third Tuesdays, September through June.
Membership fee: $100.
Contact: John R. Oester, Springhill College, 4000 Dauphin St., Mobile, Ala. 36608; (205) 460-2250.

Arizona

Arizona Cash Management Association

Corporate membership: 35.
Corporate members: Greyhound, Del Webb, The Tanner Cos., U-Haul, Salt River Project.
Meetings: Monthly except summer.
Membership fee: $100.
Contact: Stephen Tanner, Tanner Companies, P.O. Box 20128, Phoenix, Ariz. 85036; (602) 241-4781.

California

Bay Area Cash Managers Association

Corporate membership: 50.
Corporate members: Bechtel Power, Crown Zellerbach, Del Monte, Levi Strauss, Chevron.
Meetings: Third Tuesdays except December.
Membership fee: $200.
Contact: George Schilling, Chevron USA Inc., 575 Market St., San Francisco, Calif. 94105; (415) 894-0233.

Peninsula Cash Management Association

Corporate membership: 50.
Corporate members: Apple Computer, Hewlett-Packard, Lockheed, Amdahl, Intel.
Meetings: Second Wednesdays.
Membership fee: $195.
Contact: Lynn Cox, AMPEX, 401 Broadway, Redwood City, Calif. 94063; (415) 367-2919.

Cash Management Association of San Diego

Corporate membership: 33.
Corporate members: Aerojet General, Signal, San Diego Gas & Electric, Rohr Industries, Wavetek, Cubic.
Meetings: First Thursdays every other month, except July and August.
Membership fee: $125.
Contact: David Wilken, San Diego Gas & Electric Co., P.O. Box 1831, San Diego, Calif. 92112; (619) 696-4508.

Cash Management Association of Southern California

Corporate membership: 110.
Corporate members: Litton, Arco, Data Products, Union Oil, Getty.
Meetings: First Fridays, 10 months out of the year.
Membership fee: $75.
Contact: Lynne Shulim, Data Products Corp., 6200 Canoga Ave., Woodland Hills, Calif. 91365; (818) 887-8679.

Colorado

Colorado Cash Management Association

Corporate membership: 120.
Corporate members: Coors, Manville, Mountain Bell, U S WEST, Arco, Hamilton Bros., Petro Lewis.
Meetings: Second Wednesdays September through November, January through March, and May.
Membership fee: $40 individual, $80 corporate and associate.
Contact: Martha Paine, Mountain Bell, 1801 California MBC 3050, Denver, Colo. 80202; (303) 896-7080.

Connecticut

Central Connecticut Cash Management Association

Corporate membership: 42.
Meetings: Second Tuesday except July, August and December.
Contact: Edward Shalagan, Manager of cash/investment borrowing, Echlin Inc., 100 Double Beach Road, Branford, Conn. 06405; (203) 481-5751.

Fairfield County, Conn., Cash Management Association

Corporate membership: 44.
Corporate members: Combustion Engineering, GE, Xerox, GTE, Union Carbide.
Meetings: Second Wednesdays.
Membership fee: $120.
Contact: Martin Decere, Cadbury Schweppes Holdings Inc., High Ridge Park, P.O. Box 3800, Stamford, Conn. 06905; (203) 968-7703.

Florida

NCCMA, South Florida Chapter

Corporate membership: 22.
Corporate members: Florida Power & Light, American Bankers, Burger King, Knight-Ridder Newspapers, Wometco Broadcasting.
Meetings: Monthly.
Membership fee: $100.
Contact: John Fischer, Florida Light & Power, 9250 W. Lagler St., Miami, Fla. 33174; (305) 552-4093.

Tampa Bay Cash Management Association

Corporate membership: 34.
Corporate members: General Telephone of Florida, Florida Power, Jack Eckerd, Paradyne, Jim Walter.
Meetings: Third Wednesdays, except July, August and December.
Membership fee: $125.
Contact: Jim Howard, Florida Power Corp., 3201 34th St. S., St. Petersburg, Fla. 33711; (813) 866-4485.

Georgia

Atlanta Treasury Management Association

Corporate membership: 66.
Corporate members: Coca-Cola, Georgia-Pacific, Scientific-Atlanta, Georgia Power, Oxford Industries.
Meetings: Third Wednesdays, except July, August and December.
Membership fee: $110 local.
Contact: Marty Bush, Management Science America Inc., 3445 Peachtree Road N.E., Atlanta, Ga. 30326; (404) 239-2000.

Illinois

Cash Management Practitioners Association of Chicago

Corporate membership: 72.
Corporate members: Abbott Laboratories, Beatrice Foods, Borg-Warner Acceptance, Equitable Life, Household Finance, McDonald's, Sears.
Meetings: Fourth Thursdays except July, August and December.
Membership fee: $150.
Contact: William LeFebve, Square D Co., 1415 S. Roselle Road, Palatine, Ill. 60067; (312) 397-2600, ext. 305.

Indiana

Central Indiana Cash Management Association

Corporate mombership: 20.
Corporate members: Inland Container, Blue Cross-Blue Shield, Citizen's Gas, Indianapolis Power & Light, Indiana Water Co.
Meetings: Third Thursdays except summer.
Membership fee: $25.
Contact: James Wilson, Blue Cross-Blue Shield of Indiana, 120 W. Market St., Indianapolis, Ind. 46204; (317) 263-4809.

Kansas

Kansas City Cash Management Association

Corporate membership: 39.
Meetings: September through June.
Contact: Don Cohenour, Farmland Industries, P.O. Box 7305, Kansas City, Mo. 64116; (816) 459-6409.

Kentucky

Kentucky Cash Management Association

Corporate membership: 32.
Corporate members: Batus, Brown-Forman, Capital Holding, Conna, Humana, Kentucky Fried Chicken, City of Louisville, Jefferson County, University of Louisville.
Meetings: Second Tuesdays, February through May and September through November.
Membership fee: $200.
Contact: Paul Kinney, University of Louisville Service Complex, Louisville, Ky. 40292; (502) 588-6271.

Louisiana

New Orleans Cash Management Association

Corporate membership: 19.
Corporate members: Middle South Services, Lykes Bros. Steamship Co., McDermott, Louisiana Land & Exploration, Tulane University.
Meetings: Second Tuesdays.
Membership fee: $100.
Contact: Louis Katz, Office of the Treasurer, Tulane University, Central Bldg., New Orleans, La. 70118; (504) 865-5597.

Michigan

Western Michigan Cash Management Association

Corporate membership: 26.
Meetings: Fourth Thursdays except June-August and December.
Contact: Dick Lampen, Spartan Stores, 850 76th St. N.W., Grand Rapids, Mich. 49508; (616) 878-2470.

Minnesota

Twin Cities Cash Management Association

Corporate membership: 90.
Meetings: Second Thursdays except July, August and December.
Contact: Jerry Bishop, manager, St. Paul Companies, P.O. Box SDS 12-0030, Minneapolis, Minn. 55486; (612) 221-8091.

Missouri

Kansas City Cash Management Association

Corporate membership: 39.
Meetings: September through June.
Contact: Don Cohenour, Farmland Industries, P.O. Box 7305, Kansas City, Mo. 64116; (816) 459-6409.

St. Louis Cash Management Association

Corporate membership: 55.
Corporate members: Monsanto, Anheuser-Busch, Emerson Electric, Pet Inc., Wetterau.
Meetings: Third Thursday, September through June.
Membership fee: $110.
Contact: Connie Stegall, Kellwood Co., 600 Kellwood Pkwy., P.O. Box 14374, St. Louis, Mo. 63178; (314) 576-3455.

New Jersey

New Jersey Cash Management Association

Corporate membership: 30.
Corporate members: Prudential, Nabisco, Warner-Lambert, Johnson & Johnson, Ingersoll-Rand.
Meetings: Second Tuesdays, 10 months out of the year.
Membership fee: $225.
Contact: Thomas A. Nyire, Public Service Electric & Gas Co., 80 Park Plaza T6B, P.O. Box 570, Newark, N.J. 07101; (201) 430-6505.

Northern New Jersey Association of Cash Management

Corporate membership: 45.
Corporate members: Thomas & Betts, C.R. Bard, Dow Jones, Supermarkets General, New Jersey Bell, Mennen, Engelhard, Purolator, M&M Mars, Seiko, Block Drug, Prentice-Hall.
Meetings: Second Wednesdays except July and August.
Membership fee: $175.
Contact: Don Aquila, Thomas & Betts, 920 Route 202, Raritan, N.J. 08869; (201) 685-1600.

New York

Cash Management Association of Monroe County

Corporate membership: 70.
Corporate members: Bausch & Lomb, Gannett, Rochester Gas & Electric, Rochester Telephone, Gleason Works, Sybron, Goulds Pumps.
Meetings: Second Wednesdays except November, March and summer.
Membership fee: $45.
Contact: Susan Biklen, City Bank, P.O. Box 23145, Rochester, N.Y. 14692; (716) 546-0646.

Corporate Cash Managers Association of New York

Corporate membership: 113.
Corporate members: Reliance Group Holdings, Equitable Life, Exxon, American Express, ABC, AT&T, Columbia Pictures.
Meetings: Monthly except July and August.
Contact: David Grunbaum, TIAA-CREF, 730 Third Ave., New York, N.Y. 10017; (212) 916-4290.

Syracuse Cash Management Association

Corporate membership: 15.
Corporate members: Niagara Mohawk Power, Agway, P&C Food Markets, Oneida, New York State Electric & Gas, Syracuse Supply.
Meetings: Every two or three months, except in summer.
Contact: Donald Thome, P&C Foods, P.O. Box 4965, Syracuse, N.Y. 13221; (315) 457-9460.

Ohio

Central Ohio Cash Management Association

Corporate membership: 26.
Corporate members: Nationwide Insurance, Anchor Hocking, Wendy, Borden, Ohio State University, J.C. Penney Casualty Insurance.
Meetings: Third Wednesdays, September through May, except December.
Membership fee: $25 local.
Contact: Duane Campbell, 1 Nationwide Plaza, Columbus, Ohio 43216; (614) 227-6963.

Cincinnati Cash Management Association

Corporate membership: 36.

The Cash Manager of one of the largest U.S. conglomerates said this system has it all together.

Sophisticated and compatible, yet low in cost and easy to install, Wells Fargo's MicroExpress℠ may well be the single delivery system best suited to your firm's cash management needs.

Now there's a low-cost cash management system simple enough for a firm to purchase, install and program itself. Yet so sophisticated, it's compatible with all the other balance reporting systems of a major U.S. conglomerate. A system that handles work electronically that used to be done manually. That furnishes exactly the data wanted, from whatever sources needed, at the time of day desired – through the familiar means of one existing computer. And Wells Fargo can deliver it for your business now.

Wells Fargo's MicroExpress℠ cash management software system puts you in contact with all your business' banks. Automatically. You structure your own communications, simplify analysis, control your cash through a single computer.

MicroExpress℠ is so reliable that our customers – among them, one of the world's largest securities firms, the nation's #2 utility company, one of the world's largest conglomerates – say that it is technically the highest-quality communications package available. Yet it's possible to use and program it yourself. And the price of MicroExpress℠ may surprise you.

For full details, call Dave Kurrasch at 415-396-3174.

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Directory

Meetings: Third Wednesdays except January, June-August and December.
Contact: James Kraft, ARMCO Inc., Middletown, Ohio 45042; (513) 425-5982.

Northeastern Ohio Cash Management Association

Corporate membership: 65.
Corporate members: Sohio, Eaton, Sherwin-Williams, Gencorp, Firestone, TRW.
Meetings: Third Wednesdays, except for July and August.
Membership fee: $100.
Contact: Raymond L. Cushing, Nordson Corp., 555 Jackson St., Amherst, Ohio 44001; (216) 892-1580.

Toledo Area Cash Management Association

Corporate membership: 23.
Corporate members: Libbey-Owens-Ford, Owens-Illinois, Owens-Corning Fiberglas, Champion Spark Plug, Sheller-Globe.
Meetings: Second Thursdays monthly, September through May, except December.
Membership fee: $30.
Contact: Chris Harper, Owens-Corning Fiberglas, Fiberglas Tower, Toledo, Ohio 43659; (419) 248-8470.

Oklahoma

Oklahoma Cash Management Association

Corporate membership: 31.
Corporate members: Texas International, Scribner, Price-Waterhouse, Kerr-McGee, Hertz.
Meetings: Every other month, except summer.
Membership fee: $50.
Contact: Charlene Smyly, Central National Bank & Trust, Enid, Okla. 73701; (405) 233-3535.

Tulsa Cash Management Association

Corporate membership: 85.
Corporate members: Williams Cos., MAPCO, City Service, Reading & Bates, Cotton Petroleum.
Meetings: Third Tuesdays, September through May.
Membership fee: $60.
Contact: Patti Kastl, Williams Cos., P.O. Box 2400, Tulsa, Okla. 74102; (918) 588-2172.

Oregon

Portland Cash Management Association

Corporate membership: 82.
Corporate members: Portland General Electric, Pacific Corp., Louisiana-Pacific, Tektronics, Nike.
Meetings: Third Tuesday in March, April, May, September, October and November, plus a business meeting in January and a social one in December.
Membership fee: $75.
Contact: Bill Beyer, cash manager, Portland General Electric, 121 Southwest Salmon, Portland, Ore. 97204; (503) 226-5801.

Pennsylvania

Philadelphia Cash Management Association

Corporate membership: 30.
Contact: Alyce Wolper, assistant to the treasurer, Berwind Corp., 3000 Center Square West, 1500 Market St., Philadelphia, Pa. 19102; (215) 563-2900.

Pittsburgh Cash Management Association

Corporate membership: 42.
Corporate members: H.J. Heinz, Rockwell International, Westinghouse Credit, Allegheny International, PPG Industries, Copperweld, Alcoa.
Meetings: Third Thursdays, odd months, beginning with January.
Membership fee: $35.
Contact: Deborah DiLorenzo, Allegheny International Inc., P.O. Box 456, Pittsburgh, Pa. 15230; (412) 562-4298.

South Carolina

Cash Management Association of South Carolina

Corporate members: 50.
Meetings: February, March, May, July, September.
Contact: W. Avery Frick, finance director, Sumter County Council, Courthouse 210, Sumter, S.C. 29150; (803) 773-1581.

Tennessee

Memphis Cash Management Association

Corporate membership: 21.
Corporate members: Federal Express, Holiday Inns, Conwood, Guardsmark, Val-Mac Industries, Malone & Hyde.
Meetings: Fourth Thursdays, September through May.
Contact: Jim Reeves, Memphis Light, Gas & Water Division, P.O. Box 430, Memphis, Tenn. 38101; (901) 454-5357.

Texas

Cash Management Association of Dallas

Corporate membership: 105.
Corporate members: Electronic Data, American Petrofina, Texas Instruments, Diamond Shamrock, Mary Kay Cosmetics.
Meetings: Third Thursdays except July, August and December.
Membership fee: $200 local.
Contact: Jack Subar, Vantage Cos., 2777 Stemmons Fwy., Dallas, Texas 75207; (214) 631-0600, ext. 4170.

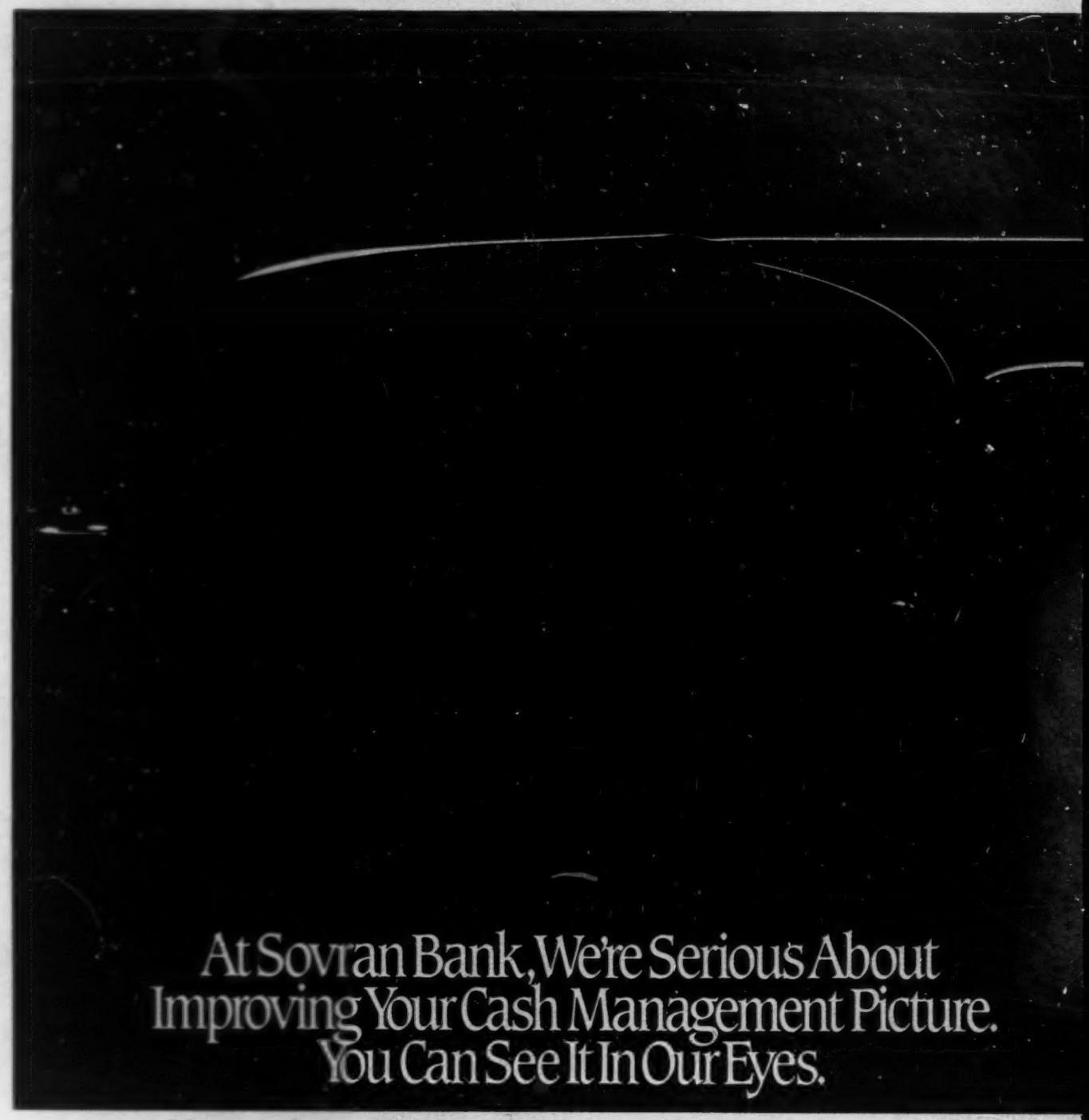
San Antonio Cash Management Association

Corporate membership: 55.
Meetings: Fourth Thursdays, September through May.
Contact: Zada True, Harte-Hanks Communications, 40 N.E. Loop 410, San Antonio, Texas 78216; (512) 344-8000, ext. 336.

Utah

Utah Corporate Cash Management Association

Corporate membership: 30.
Meetings: Fourth Thursday, odd months.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You Can See It In Our Eyes.
Of course, reflecting a competitive attitude isn't the only way we help give you an edge in today's fast-moving, ever-changing money world.
We also offer the sophisticated systems and services it takes.
Like our controlled disbursing service that provides you with maximum control over the funding of your disbursement activity.
And wholesale or retail lockbox services that speed the receipt of your incoming funds.
Or our deposit reconciliation service that allows you to immediately concentrate cash from multiple locations.
Since we're linked to the Federal Reserve network and all major transfer systems, we can also rapidly move funds into or out of any bank.
These are just some of over 20 cash management products we offer at Sovran Bank, N.A.

Contact: Craig H. Cottle, assistant treasurer, Northwest Pipeline, P.O. Box 8900, Salt Lake City, Utah 84108-0900; (801) 584-7284.

Virginia

Virginia Cash Management Association

Corporate membership: 30.
Meetings: Fourth Thursdays, September through May.
Contact: Lawrence A. Wilson, Circuit City Stores, 2040 Talboro St., Richmond, Va. 23230; (804) 257-4292.

Cash management survey: Aug. 19.

Wisconsin

Wisconsin Cash Management Association

Corporate membership: 40.
Meetings: Third Mondays, September through May.
Contact: Aaron J. Babl, Corporate financial and cash manager, Nicholet Instrument Corp., 5225 Verona Road, Madison, Wis. 53711; (608) 271-3333.

The push to have pension funds divest stocks of companies with, or drop using banks with, connections in South Africa will be the focus of a special *Pensions & Investment Age* report in the Aug. 5 issue.

National/regional

Carolinas Cash Management Association

Corporate membership: 60.
Corporate members: Rose's Stores, Duke Power, Hardee's Food Systems, Carolina Power & Light, ITT Telecommunications.
Meetings: Monthly except December, February and summer.
Membership fee: $200.
Contact: Joe Gray, Carolina Power & Light Co., P.O. Box 1551, Raleigh, N.C. 27602; (919) 836-7441.

Financial Managers Association

Corporate membership: 70.
Corporate members: Hospital Corp. of America, Service Merchandise, Vanderbilt University, Northern Telecom, Ingrim Industries.
Meetings: Second Thursdays, except summer.
Membership fee: $120.
Contact: James Robertson, Third National Bank, 201 Fourth Ave. N., Nashville, Tenn. 37244; (615) 748-5303.

National Corporate Cash Management Association

Corporate membership: 2,600.
Corporate members: Fortune 500.
Meetings: Annually in November.
Membership fee: $75.
Contact: Ralph Knight, Air Atlanta, P.O. Box 20887, Atlanta, Ga. 30320; (404) 530-2584.

Cash Management Association of New England

Corporate membership: 140.
Corporate members: EG&G, Gillette, Sheraton, Data General, Digital.
Meetings: Every other month.
Membership fee: $75.
Contact: Ruth Howell, Ludlow Corp., 145 Rosemary St., Needham, Mass. 02194; (617) 444-4900.

Northwest Cash Management Association

Corporate membership: 70.
Meetings: Third Tuesdays except July, August September and December.
Membership fee: $25.
Contact: Laura Mills, Pacific Northwest Bell, 1607 7th Ave., Room 504, Seattle, Wash. 98191; (206) 345-6189.

Puerto Rico Cash Management Association

Corporate membership: 70.
Meetings: March, June, September and December.
Contact: Adalberto Gonzalez, investment officer, Government Development Bank — Puerto Rico, GPO Box 42001, San Juan, Puerto Rico 00936; (809) 721-7533.

Service providers

a

The American Center for Cash Management

3696 Ulmerton Road, Clearwater, Fla. 33520; (813) 576-5304

Services offered: Research; training and consulting on bank negotiation strategies; investment policy development; receipts processing; purchasing and disbursement systems.
Clients: 100 plus.
Contact: Robert B. Gross, president.

Arthur Andersen & Co.

33 W. Monroe, Chicago, Ill. 60603; (312) 580-0033

Services offered: Systems development includes planning, design and installation of mainframe, mini- and microcomputers. Also hardware, software and cash management service selection studies, international cash management systems and operations improvement studies.
Clients: 300.
Contact: James S. Marpe, partner.

Arvizu Financial Group Inc.

1327 Empire Central, Suite 100, Dallas, Texas 75247; (214) 630-9494

Services offered: Performance analysis of existing cash management systems; advanced cash management program development and implementation services; cost reduction evaluations for bank credit and non-credit services; investment tax credit and ad valorem tax analysis; interest rate hedging strategy development and program maintenance services; automated treasury management services; and financial institution advisory services.
Clients: 100 plus.
Contact: Charles I. Rose, vice president-client services.

Pensions & Investment Age will take a look at the condition of state and municipal pension funds and their management Oct. 28.

With them, we can design a specific package of services for your company that puts you in total control of your assets, wherever they may be.

Best of all, we have the skilled, informed people required to help you analyze and act on the detailed information we can place at your disposal. And as Virginia's largest bank, with assets in excess of $8 billion, we have the resources to meet your financial needs.

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When it comes to aggressively making your money work, we'll see eye to eye.

SOVRAN BANK

Directory

b

Brockden Associates Inc.
P.O. Box 67, Mendham, N.J. 07945; (201) 543-9504

Services offered: Domestic and international cash management consulting; all phases of treasury systems including requirements evaluation, analysis, design, programming, implementation and training; integration on micro and mainframe computers; custom software development, including multicurrency financial applications, decision support and expert systems; and new product development, consulting and training for banks.
Clients: 18.
Contact: John F. Wilson, president.

Business International Corp.
1 Dag Hammarskjold Plaza, New York, N.Y. 10017; (212) 750-6300

Services offered: Syndicated and proprietary market research on international and domestic cash management; consulting for companies seeking solutions to cross-border and intracountry cash management problems; and newsletter and research reports for companies and banks.
Clients: 2,000.
Representative clients: Citibank, Mellon Bank, Societe Generale and Fuji Bank.
Contact: Louis J. Celi, vice president, director-financial services.

c

The Cash Management Academy
1 NDC Plaza, Corporate Square, Atlanta, Ga. 30329; (404) 329-8520

Services offered: Guaranteed training courses in foundations of cash management and advanced cash management.
Clients: 400 plus.
Representative clients: AT&T, Sun Oil, Georgia Pacific and M&M Mars.
Contact: J.N. Carter, director.

Cash Management Institute
P.O. Box 540, 360 Woodland St., Holliston, Mass. 01746; (617) 429-5930

Services offered: The Cash Manager monthly newsletter; annual national forum; and annual industry-specific group forums.
Contact: Kim MacKenzie, conference manager.

d

The Donoghue Organization
P.O. Box 540, 360 Woodland St., Holliston, Mass. 01746; (517) 429-5930

Services offered: The Money Fund Report, a weekly newsletter, and the Mutual Funds Almanac, an annual publication.
Contact: Robert Missert.

e

Electronic Funds Transfer Association
1726 M St. N.W., Suite 1000, Washington, D.C. 20036; (202) 659-2100

Services offered: This trade association offers a variety of publications, meetings, trade shows, classes and seminars to its member companies.
Members: 150 plus.
Representative members: AT&T, Mobil, IBM and Exxon.
Contact: Catherine Brown, director of information.

The Equitable Life Assurance Society of the United States
1285 Avenue of the Americas, New York, N.Y. 10019; (212) 554-3979

Services offered: Cheqnet, a wholesale nationwide lockbox.
Clients: 40.
Contact: William J. Herzog, vice president.

f

First Data Resources Inc.
7301 Pacific St., Omaha, Neb. 68114; (402) 399-7490

Services offered: Deposit/information reporting; ACH processing; lockbox detail reporting; matrix balancing; automated invoice remittance processing; and BAI processing.
Contact: John Albin, marketing manager.

i

Interactive Data Corp.
486 Totten Pond Road, Waltham, Mass. 02254; (617) 895-4124

Services offered: Full range of cash management services, including the treasurer's XCHANGE/Microstation and network-based software for balance reporting, funds movement and cash analysis.
Clients: 67.
Contact: John F. Page, product manager.

m

March & Co.
109 Spanish Village, Suite 607, Dallas, Texas 75248; (214) 231-0601

Services offered: Cash management market research studies; seminars; and advisory services.
Contact: R. March, principal.

Masterfund Inc.
575 Madison Ave., New York, N.Y. 10022; (212) 888-8430

Services offered: Investment management and advisory on high-yield federally insured CDs plus a weekly newsletter ranking the CDs.
Clients: 100.
Representative clients: Gibraltar Savings Association, Izod Ltd., American Investment Bank and Peoples Saving & Loan Association.
Contact: Norberto Mehl, president.

MDS Consultants Inc.
P.O. Box 1724, White Plains, N.Y. 10601; (914) 762-1700

Services offered: Treasury management consulting; micro- and mainframe treasury systems design; integrated cash management and accounting system design; and treasury application and system services evaluation. It also provides seminars, conferences and in-house seminars and workshops.
Contact: Marshall Sokol, president, and Joan Plavin, conference coordinator and meeting planner.

n

National Data Corp.
1 NDC Plaza, Corporate Square, Atlanta, Ga. 30329; (404) 329-8500

Services offered: Cash management software and timesharing services for automated balance and deposit reporting.
Clients: 10,000.
Representative clients: Manufacturers Hanover Trust and Security Pacific National Bank.
Contact: Robert A. McDaniel, manager-wholesale bank services.

p

Phoenix-Hecht
550 Frontage Road, Northfield, Ill. 60093; (312) 441-9080/P.O. Box 13628, 68 Alexander Drive, Research Triangle Park, N.C. 27709; (919) 541-9339

Services offered: Postal survey; check-clearing study; lockbox and disbursement models for microcomputers and mainframes; consulting; education; corporate electronic payments evaluation; product management series; and cash management guide.
Clients: 200.
Representative clients: Citibank, First Chicago, Bank of America.
Contacts: Larry A. Marks, president (Illinois), and David A. Bochnovic, national sales manager (N.C.).

t

Treasury Strategies Inc.
180 N. LaSalle St., Suite 700, Chicago, Ill. 60601; (312) 443-0840

Services offered: Consulting for corporations and banks, emphasizing non-credit services and treasury management. It publishes the Bank Price Index and Treasury 1 Account Analysis software.
Contact: Anthony J. Carfang, principal.

Treasury Systems Inc.
P.O. Box 1724, White Plains, N.Y. 10601; (914) 762-1700

Services offered: MACROCASH software to integrate bank, treasury and accounting systems with custom installation.
Contact: Marshall Sokol, president.

v

VALUTECH
2322 S. Pullman St., Santa Ana, Calif. 92705; (714) 250-4488

Services offered: Disbursement management and cash concentration systems; consulting; and cash management systems development.
Clients: 14.
Representative clients: Atlantic Richfield, Southland, American Natural Resources and Fluor.
Contact: Eric A. Thomson, president.

VERIBANC Inc.
P.O. Box 2963, Woburn, Mass. 01888; (617) 245-8370

Services offered: Financial reports on federally insured banks, S&Ls, holding companies, mutual savings banks and credit unions; lists of institutions meeting various criteria and a 24-hour priority and call-back service.
Clients: 5,000.
Contact: Kitty T. Heller, president.

w

White Papers Inc.
95 Gordonhurst Ave., Upper Montclair, N.J. 07043; (201) 746-5456

Services offered: Preparation and analysis of confidential white papers on electronic payments strategies for corporations and financial institutions, particularly innovative electronic check applications through ACH; and in-house seminars and national conferences on electronic payment applications.
Contact: George C. White, president.

Wismer Associates Inc.
22134 Sherman Way, Canoga Park, Calif. 91303; (818) 884-5515

Services offered: Cash and investment management software systems that provide daily cash flow forecasting and tracking; investment and debt management tools maximizing cash management effectiveness (CASH-MAX); treasury workstation (MICRO-PLUS); and consulting.
Clients: 125.
Contact: Vice president of marketing.

x

XRT Inc.
18 Great Valley Parkway, Suite 150, Malvern, Pa. 19355; (215) 251-0800

Services offered: Automated cash management and commercial paper issuing systems, typically fault-tolerant minicomputers or microcomputer-based local area networks.
Clients: 7.
Representative clients: American Express Credit Corp., General Motors Acceptance Corp., ITT and Household Finance Corp.
Contact: Anthony Potts, director of marketing.

y

Arthur Young & Co.
1 Sansome St., San Francisco, Calif. 94104; (415) 951-3219

Services offered: Full range of consulting to corporations, financial institutions and government entities; diagnostic and investment policy reviews; equipment implementation; strategic planning; seminars; and a cash management directory.
Representative clients: Pacific Telephone, Portland Gas & Electric, California Casualty Insurance, Mervynn, Data California and Pima Savings & Loan.
Contact: David W. Thornton, director of treasury consulting.

Pensions & Investment Age's annual survey of the cash managers at the nation's largest 2,000 non-financial corporations will run in the Aug. 19 issue.

Managers

c

Capitoline Investment Services Inc.
919 E. Main St., Richmond, Va. 23219; (804) 782-7251

Services offered: Active investment management of short-term excess operating or reserve funds, individually tailored to meet each client's quality and liquidity standards.
Clients: 90.
Representative clients: Alabama-Tennessee Natural Gas, Chesapeake, Colonial Williamsburg Foundation.
Contact: William E. Heisler, vice president.

Chase-Lincoln First Bank
Trust Investment Dept., P.O. Box 25039, Rochester, N.Y. 14603; (716) 258-8220

Services offered: Professional cash asset management and short-term fixed-income investment management, both for taxable and tax-exempt accounts.
Investment management strategy is dictated by interest rate forecasts and spread analysis. Investments are positioned so the average life of the portfolio maximizes the expected return based on these factors, subject to the constraints of using only investment-grade domestic securities.
Clients: 95.
Contact: Kathleen A. Dennis, vice president.

Chemical Bank/Portfolio Management Group
277 Park Ave., 9th Floor, New York, N.Y. 100172; (212) 310-4500

Services offered: Professional cash asset management and short-term fixed-income investment management, both for taxable and tax-exempt accounts.
The group aggressively manages liquidity portfolios using interest rate anticipation, arbitrage and technical analysis. Returns are generated using classic money market instruments with maturities of less than one year.
Clients: 16.
Contact: Matthew R. Cody, vice president.

d

Discount Corp. of New York Advisers
58 Pine St., New York, N.Y. 10005; (212) 248-8989

Services offered: Management of near-term cash assets for corporations, trusts and other minimum-risk funds; and management of assets required to satisfy predictable liquidity needs or by nature limited to short or intermediate term investments.
Clients: 5.
Representative clients: The Common Fund, Kodak Retirement Income Plan, Retirement System for Savings Institutions and J. Paul Getty Trust.
Contact: William J. Callahan, vice president.

Drexel Management Corp.
2 Broadway, New York, N.Y. 10004; (212) 482-1390

Services offered: Professional cash asset management (called Pro-CAM) involving short-term fixed-income investment management of taxable and tax-exempt assets, tailored to the account's needs.
It is active management with thorough credit analysis, full operational support and portfolio reporting. Also

Directory

investment management software support is available.
Clients: 10.
Contact: Michael J. Napoli Jr., vice president.

g

Government Guaranteed Funding
5 Post Oak Park, Suite 2500, Houston, Texas 77027; (713) 622-5151, (800) 231-2436.

Services offered: Public fund management, especially for smaller municipalities.
Clients: 3,500.
Representative clients: Caspar, Wyo.; Richmond, Va.; Springfield, Ill.; and Homestead, Fla.
Contacts: Ken Canepa and Bob Hennecke, vice presidents.

i

Interchange International Inc.
P.O. Box 3705, Stanford, Calif. 94305; (415) 321-5870

Services offered: Multicurrency cash investment strategies for diversification, low volatility and high yields.
Clients: 5.
Contact: Christopher T. Lane, president.

l

Lehman Management Co. Inc.
55 Water St., 40th Floor, New York, N.Y. 10041; (212) 558-1618

Services offered: Professional cash asset management and short-term fixed-income investment management, both for taxable and tax-exempt accounts. Lehman's philosophy is to arbitrage the short-term markets and not to predict the future direction of interest rates.
Clients: 2.
Contact: Richard Daniels, vice president.

Liberty Capital Management
11, Broadway, Suite 1066, New York, N.Y. 10004; (212) 509-0550

Services offered: Professional cash asset management and short-term fixed-income investment management, both for taxable and tax-exempt accounts. Liberty Capital's corporate strategy is to be an innovative specialist firm in the management of U.S. Treasury and agency fixed-income securities. The primary focus is to develop investment programs that are responsive to the investment needs of our clients.
Clients: 5.
Contact: Daniel J. Kapica, director of marketing.

p

Payden & Rygel
444 S. Flower St., Suite 4240, Los Angeles, Calif. 90017; (213) 627-7800

Services offered: Professional to short-term asset management and short-term fixed-income investment management, both for taxable and tax-exempt accounts. Each portfolio can be tailored, and provides active management with thorough credit analysis, full operational support and portfolio reporting.
Clients: 12.
Contact: Joan Payden, president.

s

Scudder, Stevens & Clark
345 Park Ave., New York, N.Y. 10154; (212) 482-1390/333 S. Hope St., Los Angeles, Calif. 90071; (213) 628-1144

Services offered: Professional cash asset management and short-term fixed-income investment management, both for taxable and tax-exempt accounts. The firm takes a very active approach to cash management using high-quality instruments.
Clients: 25.
Contact: Robert Neff, group vice president (New York); Edmond Valloni, managing director (Los Angeles).

Alan G. Seidner Co.
597 E. Green St., Pasadena, Calif. 91101; (213) 681-1024

Services offered: Management and consulting for corporations, municipalities, institutions and individuals in short- and intermediate-term fixed-income investments.
Clients: 30.
Representative Clients: UCLA Foundation, Signal, Presbyterian Intercommunity Hospital and Golden State Foods.
Contact: Sandy Sheek, administrative assistant.

The Summit Trust Co.
367 Springfield Ave., Summit, N.J.; (201) 522-8421

Services offered: Professional cash asset management and short-term fixed-income investment management, both for taxable and tax-exempt accounts. Summit Trust employs a proprietary market timing approach with which it expects to beat the three-month T-bill rate by 300 basis points on an annual basis.
Clients: 15.
Contact: Ricardo Cortez, vice president.

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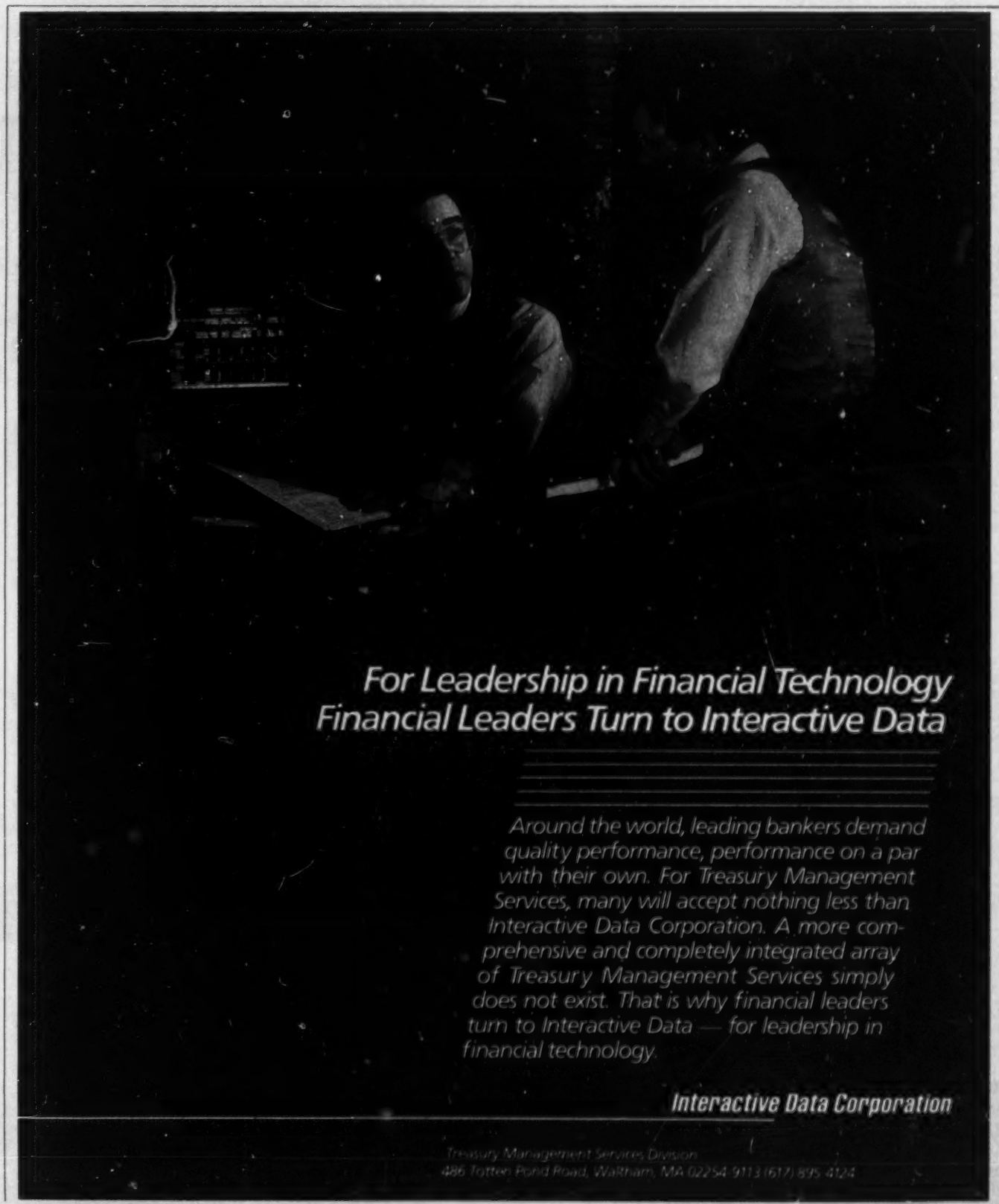
Wertheim Asset Management Services Inc.
230 Park Ave, New York, N.Y. 10169; (212) 370-6140

Services offered: Professional cash asset management and short-term fixed-income investment management, both for taxable and tax-exempt accounts.
Clients: 3.
Representative clients: Calista, Burroughs Wellcome, Reavis & McGrath.
Contact: Steven W. Golan, senior vice president.

Wharton Asset Management
595 Madison Ave., Suite 1900, New York, N.Y. 10022; (212) 888-7680

Services offered: Wharton manages cash as an alternative to investments in CDs, money market funds, Eurodollars and T-bills, taking advantage of 85% exemption on dividends received.
It uses dividend-capture strategies and various hedged, arbitraged and limited-risk investment techniques are used.
Clients: 45.
Contact: Arnold Mintz, executive vice president.

Pensions & Investment Age's poll of the chief investment officers at the 500 largest investment institutions will run in the Sept. 30 issue.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Canadian banks

The Bank of Nova Scotia

44 King St. W., Toronto, Ontario M5H 1H1; (416) 866-3959

C.M. professionals: 80.
Executive: Ray G. Darke, general manager-cash management services.
Contact: Bob K. Lounsbury, assistant general manager-marketing.
The Bank of Nova Scotia offers international wire transfers and FX rates in addition to those terminal-initiated services indicated on the chart.
It also offers a general cash management review.
Its account reconciliation package was developed in-house.

Canadian Imperial Bank of Commerce

U.S. Operations Office, 237 Park Ave., New York, N.Y. 10017; (212) 309-8810/Commerce Court Postal Station, Toronto, Ontario, M5L 1A2; (416) 784-6508

Special services: Centralized cash control, netting, pooling, offsetting, true real time balance reporting and terminal-initiated funds transfers, cross-border cash management, Canadian cash management (national) for U.S. corporations, national direct deposit and same day concentration.
Fortune 1000 clients: 500.
Representative clients: Prudential Insurance, Province of Alberta, United Technologies.
Executive: John Bumister, vice president-cash management services division.

Contact: Gary Pickell, senior manager (New York), and David C. Prescott, assistant general manager (Toronto). Canadian Imperial Bank of Commerce uses its own system for balance reporting.
Terminal-initiated services not on the chart include payroll services, corporate trade payments, real-time reporting and money transfers.
The bank has overseas lockboxing sites in most world financial centers.
Its lockbox/disbursement studies are based on its own model. The consulting group offers studies on all aspects of the field, especially centralized banking and cross-border cash management.
The bank developed its account reconciliation system in conjunction with Disc Inc.

The Toronto Dominion Bank

Toronto Dominion Centre, Toronto, Ontario M5K 1A2; (416) 866-8921

Special services: Customer payroll.
C.M. professionals: 45.
Executive: R.A. "Tony" Cook, general manager-cash management services.
Contact: Mr. Cook.
The Toronto Dominion Bank's consulting group also offers full cash management studies.
The bank developed its own account reconciliation system; its treasury workstation was a joint venture with ADS.

Canadian associations

The Cash Management Association of British Columbia

Corporate membership: 80.
Membership fee: $50 (Canadian).
Contact: Derek Price, Cominco Ltd., 200 Granville St., Vancouver, British Columbia V6C ZR2 or John L. Raubenheimer, president, 970 Burrard St., Vancouver, British Columbia V6Z 1Y3; (604) 685-3096.

Calgary Cash Management Association

Corporate membership: 50.
Meetings: Monthly.
Membership fee: $50.
Contact: Eric Sheppard, Assistant treasurer, Petro-Can Inc., P.O. Box 2844, Calgary, Alberta T2P 3E3; (403) 296-7960.

The Cash Management Association of Canada

Corporate membership: 500.
Contact: Yvonne Ross, Manager-Money Market Operations, B.C. Central Credit Union, Creekside Drive, P.O. Box 2038, Vancouver, British Columbia V6B 3R9; (604) 734-0811.

The Cash and Treasury Management Association

Corporate membership: 50.
Meetings: Monthly.
Membership fee: $100.
Contact: John W. MacKinnon, Senior Marketing Manager, Cash Management Services, Bank of Montreal, Box 1150, Adelaide St. P.O., Toronto, Ontario M5C 2K5; (416) 867-6965.

Edmonton Cash Management Association

Corporate membership: 27.
Meetings: Last Tuesday of each month.
Contact: David Richardson, 1200-10707 100 Ave., Edmonton, Alberta T5J 3M1; (403) 423-8407.

Insurance Companies Cash Management Group

Corporate membership: 43.
Meetings: Twice yearly.
Contact: H. Robert Howard, director of cash management, Manufacturers Life Insurance Co., 200 Bloor St. E., Toronto, Ontario M4W 1E5; (416) 926-3537.

The Cash Management Association of Manitoba

Corporate membership: 24.
Meetings: Six times per year.
Membership fee: $50.
Contact: R.L. Wiebe, P.O. Box 874, Winnipeg, Manitoba R3C 2S4; (204) 775-8331, ext. 236.

The Cash Management Association of Montreal

Corporate membership: 60.
Meetings: Monthly.
Membership fee: $125.
Contact: Theresa Benedek, Steinbergs Inc., 1500 Atwater, Montreal, Quebec H3Z 1Y3; (514) 931-9131.

Ottawa Cash Management Association

Corporate membership: 68.
Meetings: Bimonthly.
Contact: R.G. Clare Marshall, Export Development, P.O. Box 655, Ottawa, Ontario K1P 5T9; (613) 598-2822.

Saskatchewan Cash Management Association

Corporate membership: 55.
Meetings: September through May.
Contact: Dennis Polowyc, assistant director cash and debt management, Saskatchewan Finance, 2350 Albert St., 6th floor, Regina, Saskatchewan S4P 4A6; (306) 787-3923.

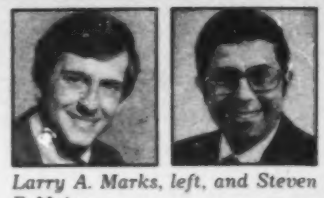
The Toronto Cash Management Society

Corporate membership: 100.
Meetings: Third Tuesdays, bimonthly.
Contact: Allan Turner, secretary/treasurer, Robin Hood Multifoods, 243 Consumers Road, Willowdale, Ontario. M2J 4W8; (416) 496-1515.

In September, *Pensions & Investment Age* will publish two more directories. The Sept. 16 issue will contain the annual directory and ranking of leading real estate advisory firms. The Sept. 30 issue will contain the annual poll of the chief investment officers at the 500 largest investment institutions.

C&S presents 8 questions you should ask (and 8 answers you should get) before choosing a lock box bank in the Southeast

Picking a disbursement bank



Larry A. Marks, left, and Steven F. Maier.

By Steven F. Maier and Larry A. Marks

So the time has come for your company to start using a controlled disbursing bank. Welcome to the club.

In the past year, controlled disbursing has been one of the fastest growing non-credit service products offered by commercial banks.

According to Phoenix-Hecht Inc.'s March product line manager survey, there are 178 controlled disbursing sites offered by 106 banks.

That is up from the 103 sites reported in 1984. They are distributed regionally as shown in Figure 1.

Moreover, the banks participating in the 1985 survey indicated an increase of 29% in the past year alone in the item volume they are processing through their controlled disbursing points.

What do you look for when you seek a controlled disbursing bank? Here are seven questions important in bank selection, and some comparative information on the services offered by controlled disbursing banks nationwide.

Criteria for selection

• **When will I receive notification of today's funding need?** The question here really is, when will you receive your first telephone notification for the funding requirement? As dealt with later in this list, there is also the issue of whether and when you will receive a second telephone notification.

Obviously, the earlier the notification the better. Also, the consistency of the notification is important. It really disturbs investment procedures to get the Monday call two hours later than the rest of the week.

Notification time is best considered in terms of a "window" during which you will receive the telephone notification. On average for the 100-plus banks reporting this information in our latest survey, the window was between 9:43 a.m. and 10:39 a.m. EST. The region with the earliest reporting window was the Southeast, which reported on average between 9:18 a.m. and 10:19 a.m. EST.

• **Does the controlled disbursing site have a second notification time? If so, when does it occur?** Many cash managers have learned to live with a second notification. Any bank that receives more than $10 million per day of check presentments from offices outside of its local Federal Reserve would be included in the High Dollar Group Sort Program, according to the criteria set forth by the Federal Reserve.

Nationwide, 44% of all controlled disbursing sites now have a second notification time. Nationwide, the second notification window averages across all banks from 11:14 a.m. to 12:15 p.m. EST.

• **If you have a second presentment, what percentage of the dollars are you likely to see as part of your second notification?** This question is very difficult to answer. Bank officials might be able to give you some general statistics with regard to the total dollars they see in their second presentment. Nationwide, our survey found 12% of the dollars for banks with a second notification time were being reported at that time.

Keep in mind, however, your company could experience more or less than this total depending upon the specific locations of the vendors to whom you are making payments. Many cash managers also report the problem is not so much the average, but the peaks.

The most likely checks to find their way into the second notification are the largest dollar items that you write. Even though the average might be only 10% or 12%, it is likely that you will have days during the month when fully 50% or more of the dollars are part of the second notification.

To pinpoint the potential for this problem calls for additional study. An examination of your specific large-dollar vendors, something that is usually done as part of a disbursement site location study, will tell you the exposure you are likely to have to these peak second presentments.

• **Will the bank allow you to fund one or both of the daily notifications with a funds transfer that represents next-day money?** Most controlled disbursing accounts are funded by wire transfer. Thus, you cover the funds presented today at the controlled account with same-day money. However, a large number of the controlled disbursing banks do permit funding by the use of an automated clearing house or a depository transfer check transfer. Our latest survey indicates 49% of the banks accept DTC funding and 53% accept ACH debit funding for controlled disbursing accounts.

The concept of funding with next-day money is very appealing. Generally, notification time becomes almost irrelevant. The bank simply lets you know the amount of the ACH transfer it is initiating today, which you in turn won't have to actually fund until tomorrow morning. The questions of one or two notifications and whether the bank is affected by the High Dollar Group Sort Program also are irrelevant.

There are, however, drawbacks to next-day funding. Usually, the bank will request you keep one day's average collected balances on deposit. This, by the way, does not mean you will have one day's idle funds at the bank. Rather, this simply compensates the bank for the one-day delay in funding.

Unfortunately, although banks are compensated adequately for the delay, *on average* they will experience on a daily basis both positive and negative collected balances. For most banks, the credit exposure during the days they have negative collected balances will require them to do a formal credit review. This, in turn, can increase the price for the controlled disbursing service.

Many banks also have a policy of not entirely offsetting negative balances with the positive balances created on other days. A common policy is to give credit to the corporation based on the bank's earnings credit rate for any positive collected balances, but to charge a rate tied to the prime rate for negative collected balances.

For many companies, this policy makes funding the control point by an ACH transfer unattractive. Funding and bank compensation are important issues to raise with banks being considered for controlled disbursing sites.

• **Will the controlled disbursing site improve my disbursement float?** In the early 1980s, many cash managers went to controlled disbursing for the float improvement that it would give them. Much of that float was based upon inefficiencies in the Federal Reserve and bank clearing system associated with paper checks.

In 1980, Federal Reserve float, a measure of the Fed's inefficiency, was $6.7 billion. Today, Fed float is being reported around $400 million. Figure 2 gives some comparisons of controlled disbursing sites that produced very high levels of float in 1980 and the float levels seen for these sites in 1984. The difference is dramatic.

In Figure 3, we represent a comparison of slippage levels between 1980 and 1984. (Slippage is the difference between the actual time needed to clear the check and the availability granted to the check depositor.)

Positive slippage is viewed by many as being one of the principle advantages of remote disbursing. The corporate view is that slippage benefits the disburser but does not hurt the vendor. It is a "free lunch" at the expense of the Fed and the banking industry.

But there is no free lunch. As Figure 3 shows, the level of slippage has been reduced dramatically, to the point where the major controlled disbursing sites now show not positive slippage but rather *negative* slippage. Using a controlled disbursing site to take advantage of the banking system makes no sense today.

The reader should view the numbers shown in Figures 2 and 3 as being representative of clearing times, certainly not the clearing time they will experience. Actual clearing times will depend upon the geographic location of the vendors relative to the controlled disbursing site, the size of items being paid and, of course, the specific bank or banks selected for the controlled disbursing site or sites.

The only way to accurately quantify float levels in a controlled disbursing system is to do a formal study. Many banks offer such studies using the data provided by Phoenix-Hecht in its clearing study. The models used also have the capability to analyze availability (the effect on vendors) and slippage levels.

• **Would a disbursement network make sense?** Late in 1984, Security Pacific National Bank introduced the Payment Network, a set of controlled disbursement sites located throughout the United

Continued on page CM27

Figure 1 Geographic locations of disbursement sites

State	Number of sites	%	Cum. %
Texas	19	10.7	10.7
Missouri	13	7.3	18.1
Ohio	13	7.3	25.4
Colorado	12	6.8	32.2
New York	11	6.2	38.4
Delaware	10	5.6	44.1
Florida	9	5.1	49.2
North Carolina	8	4.5	53.7
Illinois	7	4.0	57.6
Pennsylvania	7	4.0	61.6
Kentucky	6	3.4	65.0
Georgia	5	2.8	67.8
Michigan	5	2.8	70.6
Nebraska	5	2.8	73.4
Alabama	4	2.3	75.7
Minnesota	4	2.3	78.0
Oklahoma	4	2.3	80.2
Virginia	4	2.3	82.5
Maryland	3	1.7	84.2
Tennessee	3	1.7	85.9
Washington	3	1.7	87.6

In addition, the states of Arkansas, Connecticut, Idaho, Indiana, Louisiana, Massachusetts and Mississippi had 2 sites each and Alaska, Maine, New Jersey, Oregon, Puerto Rico, South Carolina, Wisconsin and Wyoming had 1 site each.

Source: Phoenix-Hecht Inc.

Figure 2 Clearing time comparision

Rank	March 1981 Drawee city	Time	January 1985 Drawee city	Time
1.	Helena, Mont.	3.79	Memphis, Mo.	2.78
2.	Wilmington, Del.	3.69	Portland, Maine	2.60
3.	Stephens, Ariz.	3.53	West Plains, Mo.	2.57
4.	El Paso, Texas	3.49	Vandalia, Mo.	2.50
5.	Ogden, Utah	3.43	Grand Junction, Colo.	2.47
6.	Allentown, Pa.	3.41	Lewiston, Mont.	2.42
7.	Charleston, S.C.	3.38	Rolla, Mo.	2.41
8.	West Plains, Mo.	3.38	Helena, Mont.	2.38
9.	Springfield, Mo.	3.37	Odessa, Texas	2.36
10.	Columbia, S.C.	3.35	Newark, Ark.	2.27
	Average	**3.48**		**2.48**

Source: Phoenix-Hecht Inc.

Figure 3 Slippage comparison

City name	March 1981 Time	January 1985 Time
Helena, Mont.	1.28	−0.10
Wilmington, Del.	1.18	−0.18
El Paso, Texas	1.13	+0.06
Columbia, S.C.	1.08	−0.23
Ogden, Utah	.99	−0.41
Charleston, S.C.	.96	−0.21
Tulsa, Okla.	.95	−0.24
Yakima, Wash.	.90	−0.07
Average	**1.06**	**−0.17**

Source: Phoenix-Hecht Inc.

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Choosing . . .

Continued from page CM26

States. In principle, this network is very similar to the lockbox networks introduced by many banks to reduce float.

However, here the objective is reversed.

The more controlled disbursing sites a company uses, the greater the potential for increasing clearing float.

By strategically choosing sites from the approximate dozen available in the network, a company can optimize float on a vendor-by-vendor basis.

The Security Pacific network also is designed to provide a window for electronic payment. By sending the bank a tape of payments to be made through the payment network, the bank, in turn, can strip off those payments to be made electronically and send them through the ACH system.

In many ways this is like having your cake and eating it too. The Payment Network gives the corporation both access to the next generation of electronic payment and at the same time provides maximum float advantage in the current paper based system.

• **How much will controlled disbursing cost?** Of all the non-credit services surveyed by Phoenix-Hecht, banks report the highest profit margins on their controlled disbursing services.

The survey indicated an average profit margin of 42% for controlled disbursing, while wholesale lockbox only earned the banks on average 24%.

Phoenix-Hecht's product manager survey of banks indicates that for a typical controlled disbursing account, the bank charges an average of $1,091 per month.

(This price was for 5,000 checks paid per month, an average daily presentment totaling $1 million, daily telephone notification in time for wire transfer funding and 10 stop payments placed during the month.)

The components of bank pricing also are interesting. First, the account maintenance charge is significantly greater than for a standard corporate checking account. Nationwide, this averaged $132 for a controlled disbursing account while only $12.40 for a regular corporate account.

In addition, the corporation should expect to pay about $2.70 per day for telephone notification and $4.75 for each incoming wire transfer. The average price for each check paid was 13.8 cents on a nationwide basis. The stop payment orders cost on average nationwide $9.90.

In comparing these average charges to those which you might be quoted, keep in mind there are differences regionally and based upon quality dimensions such as the promptness and timeliness of the telephone notification.

As discussed earlier, the company should also expect to pay a premium if the bank will permit it to fund with next-day money because of the additional credit risk.

Controlled disbursing is now a mature product. Contrary to the beliefs of many and certainly the hopes of the Federal Reserve, it is neither a dying nor a declining product.

The product managers queried in our survey indicated they expect to see an average 26% increase in item volume for their controlled disbursing systems in 1985.

Outside of the expected growth in ACH volume, this is the fastest growth rate of any non-credit product banks offer. ■

Steven F. Maier is president of UAI Technology and Larry A. Marks is president of Phoenix-Hecht Inc.

Datebook

July 22-23, New York and **Aug. 5-6,** Denver: The American Management Association will sponsor "Corporate Cash Management." Contact the AMA's registrar in Saranac Lake, N.Y., at (518) 891-0065.

July 24-26, Washington and **Sept. 18-20,** Los Angeles: The National Institute for Management Research will hold its Eighth Annual Conference on "Financial Information Systems." Contact the NIMR in Los Angeles at (213) 450-0500.

July 29-Aug. 2, Boulder, Colo.: The American Management Association will hold "Financial Accounting for Bankers." Contact the AMA in Rolling Meadows, Ill., at (312) 228-6200.

Aug. 2, Lincolnshire, Ill.; **Oct. 21-25,** Chicago: The Cash Management Consulting Division of The First National Bank of Chicago is holding a seminar on the "Principles of Cash Management." Call the division at (312) 732-6838.

Aug. 5-6, Denver: The American Management Association will sponsor "Corporate Cash Management." Contact the AMA in Saranac Lake, N.Y., at (518) 891-0065.

Aug. 12-16, Minneapolis, Minn.: The Bank Administration Institute will hold an "Intermediate Bank EDP Auditing" seminar. Contact Peggy Meyer in Rolling Meadows, Ill., at (312) 228-6200, ext. 716.

Aug. 28-30, Chicago, Ill.: The Bank Administration Institute will hold a "Finance Planning" seminar. Contact Peggy Meyer at (312) 228-6200, ext. 716.

Sept. 5-6, New York: The Corporate Cash Managers Association of New York will sponsor the third annual "New York Cash Exchange '85."Contact R.E. Flagg, Flagg Management Inc., New York, at (212) 286-0333.

Sept. 17-19, Newark, Airport, N.J.: White Papers Inc. will sponsor its fourth annual "Corporate Electronic Payments Conference." Contact George C. White in Upper Montclair, N.J., at (201) 746-5456.

Sept. 18-20; Los Angeles: The National Institute for Management Research will hold its eighth Annual Conference on "Financial Information Systems." Contact NIMR in Los Angeles at (213) 450-0500.

Oct. 6-8, Fort Lauderdale, Fla.: The Cash Management Institute presents "The Second Annual CMI Industry-Specific Group Forums/Customizing Your Company's Cash Management Needs." Contact Robert Missert at (800) 343-5413.

Oct. 6-9, Monte Carlo: The Risk and Insurance Management Society and L'Association Europeenne des Assures de L'Industrie will cosponsor "New Tools, New Practices, New Challenges . . . Risk Management Faces the Future." Contact Gordon Stack of RIMS in New York at (212) 286-9292.

Nov. 10-13, New Orleans: The National Corporate Cash Management Association will hold its sixth annual conference. Contact the NCCMA in Newtown, Conn., at (203) 426-3007.

Dec. 4-6, Durham, N.C.: The NCCMA, in conjunction with the Fuqua School of Business, will sponsor a "Fundamentals of Cash Management Program." Contact Ray Watson, of the school, at (919) 684-5310.

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a lockbox

quality of service; relationship with bank; lockbox processing reputation; and financial status of bank.

For a feature like price, specify the specific information you need for your evaluation, and how you intend to get it:

- Total price per item processed — gotten from the proposal.
- Availability (estimated or guaranteed?) — from the proposal.

Or for quality:

- Error rates in processing — from the proposal.
- General appearance of operation — from on-site visit.
- Number of customer service personnel — from the proposal.
- Quality of customer service personnal — from on-site visit and from references.

You might wish to use an explicit scoring system to help rank the banks against each other. Assign a number of points to each overall feature that reflects the relative importance of each to you in the selection process. The list of features above might be scored as follows: price, 25 points; quality of service, 50 points; relationship with bank, 10 points; lockbox processing reputation, 10 points; and financial status of bank, 50 points.

Such a ranking shows quality and financial status are equally important; price is roughly half as important; and relationship and reputation are to be considered but given much less weighting than the other features. It is important to select point assignments that reflect your company's priorities.

Now spread those points over the things you intend to evaluate for each feature. Price (25 points): total price per item processed, 10 points; and availability, 15 points.

Quality (50 points): error rates in processing, 10 points; general appearance of operation, 15 points; number of customer service personnel, 5 points; and quality customer service personnel, 20 points.

Finally, determine how many points a given bank will receive on a given evaluation feature, depending on its performance. What does a high price merit, in terms of score? If a bank guarantees its availability, and offers very competitive availability, how should it score relative to a bank that offers poor availability?

The scoring system can be as simple or complex as called for. But its primary purpose is to help you objectively and systematically catalog and use all the information you will be receiving throughout the selection process.

Evaluation techniques

The suggestions above allude to some techniques that can be used to gather the information you need to do a good evaluation. You probably will want to use all of them. They include the proposal, on-site visits and reference checks.

The proposal — Begin your evaluation by asking each bank to submit a proposal for operating the lockbox. This can be done by telephone or letter. The more information you desire, though, the more it makes sense to take the time to write a specific request. This will ensure that all candidates receive the same specifications, and will force you to spell out clearly just what you are looking for.

In the proposal request letter, you will certainly ask for a price quote. Be specific about the minimum service you require.

For example, if regular U.S. mail is acceptable for sending your remittance material to you, say so. If you are interested in knowing how much extra it will cost to use an express courier, say so. Ask that your price quote show both variable (per-item) and fixed charges for all expenses you will incur (for instance, the cost of maintaining an account at the bank). The bank should calculate your expected total monthly cost, and your expected per item cost, on an all-in basis.

You also should ask about availability, inasmuch as it can be considered part of the price. For example, one bank might grant immediate availability on upstate New York items while another grants one day. If you have few or no dollars drawn on upstate New York, this is immaterial to you. But if you have large items drawn in this area, it could be important. At 10%, this one day's difference in availability on $100,000 comes to almost $30. It is also important to learn if the bank guarantees its availability schedule, or if it simply promises to try to achieve it.

Your letter to the candidate banks might ask some questions about the bank's operation and staffing. The Bank Administration Institute has a standard questionnaire that covers a multitude of operating questions. Most banks have responses readily available for the BAI questionnaire, so you might want to request a copy.

On-site visits — Physically inspecting the lockbox operation can be a most revealing evaluative technique, and is an essential activity if you have never seen a lockbox in operation.

Observe the operation generally. Does it appear orderly, or in a state of disarray? Remember, those stacks of mail sitting here and there on the floor could be your remittances.

Other than the state of orderliness, it is difficult to know in advance what to look for during your visit, but you will know it when you see it. If the lockbox employees appear to be seasoned veterans, you probably will have someone similar assigned to your account. If the area is under construction, work flow and efficiency might be impaired until construction is completed. If all employees are enjoying a coffee break at the same time, who minds the shop?

An on-site visit also gives you a chance to meet the customer service personnel with whom your company will deal when problems arise. If these people talk knowledgeably about their work and appear courteous and calm, you may be reassured that the inevitable problem will be handled efficiently.

Lockbox units are usually at their busiest in the early morning. For this reason, it is a good idea to schedule morning visits.

References — This is also a very powerful evaluation tool. Your

Continued on page CM31

Selecting a bank should be done systematically, and with adequate thought given to the features that are of primary significance.
— Cathy L. Rollins

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New Orleans: The city seldom lets you down

Think of New Orleans, and you think of jazz. Think of New Orleans jazz, and you think of Preservation Hall.

By Fred Williams

NEW ORLEANS — The Crescent City, Mardi Gras, party town, a gastronomic delight. These and dozens of other colorful terms have been used to describe this city located at the mouth of the Mississippi River, where visitors seeking fun, food and entertainment usually aren't disappointed.

The sixth annual conference of the National Corporate Cash Management Association will be held here Nov. 10-13.

New Orleans has been described as America's European masterpiece, representing more than 250 years of French, Spanish and American culture. Whether the visitor is interested in history, jazz, sports, nightlife, family fun or some of the finest dining anywhere, New Orleans seems to have it all.

Dining is a special event in New Orleans. A check of the city's restaurant directory reveals cuisine from practically every continent on earth in establishments ranging from wharfside seafood stalls to world-class dining emporiums.

In New Orleans, a meal is something to be lingered over, savored and remembered, and dining is usually continental style — unhurried and leisurely.

The cuisine is but one tangible evidence of the city's varied culture and history. Thus, the two most famous culinary traditions are those developed by the Cajuns and the Creoles.

The difference between the two styles, generally speaking, is that Cajun cooking is "country cooking" and tends to be more robust, using a lot of hot peppers and a variety of sausages, duck, chicken, pork and seafood. Crawfish bisque and crawfish etoufee, sauce piquante and andouille gumbo are examples of Cajun dishes.

Creole cooking was developed by the French and Spanish settlers to the area and their servants and is probably best exemplified by its sauces. Creole food is spicier than Cajun food, but Cajun food is much hotter. Creole food is further categorized into haute Creole (Oysters Bienville and Oysters Rockefeller) and lower Creole (red beans and rice).

There is a variety of food and dining experiences, along with a host of other experiences to be found in the famed French Quarter near downtown New Orleans.

The quarter is a 90-square-block area bordered by the Mississippi, Esplanada Avenue and Canal and Rampart streets.

Jackson Square is the heart of the French Quarter and is flanked by the Presbytere and the St. Louis Cathedral. Some of the area's street life will be found in the square, including portrait painters, caricaturists, mimes and musicians, chess players, roller skaters, camera-toting tourists, tap dancers, break-dancers, fire-eaters and food vendors.

Across the square on the riverside is the recently renovated Jackson Brewery. Inside is a multitiered beehive of shops.

Nearby are other attractions such as the French Market, Pirate Alley, Royal Street — with its antiques, jewelry, rare books and art galleries — the Gallier House and Historic New Orleans Collection and the Louisiana State Museum.

Sexy, sassy, brassy Bourbon Street is perhaps the best known avenue in the city, heralded far and wide for its circuslike atmosphere of jazz festival, food fair and pedestrian mall. It has been called Piccadilly Circus, the Ginza and Times Square all rolled into one, highlighted by a lot of jazz.

This year marks the 150th anniversary of the oldest continuously running railway system in existence: New Orleans' streetcars are a serious form of transportation in the city. Many consider it easier to ride the streetcar to the central business district than to park a car there.

"The Streetcar Named Desire," from which Blanche DuBois descended in the opening scene of Tennessee Williams' famous play, ran along Desire Street.

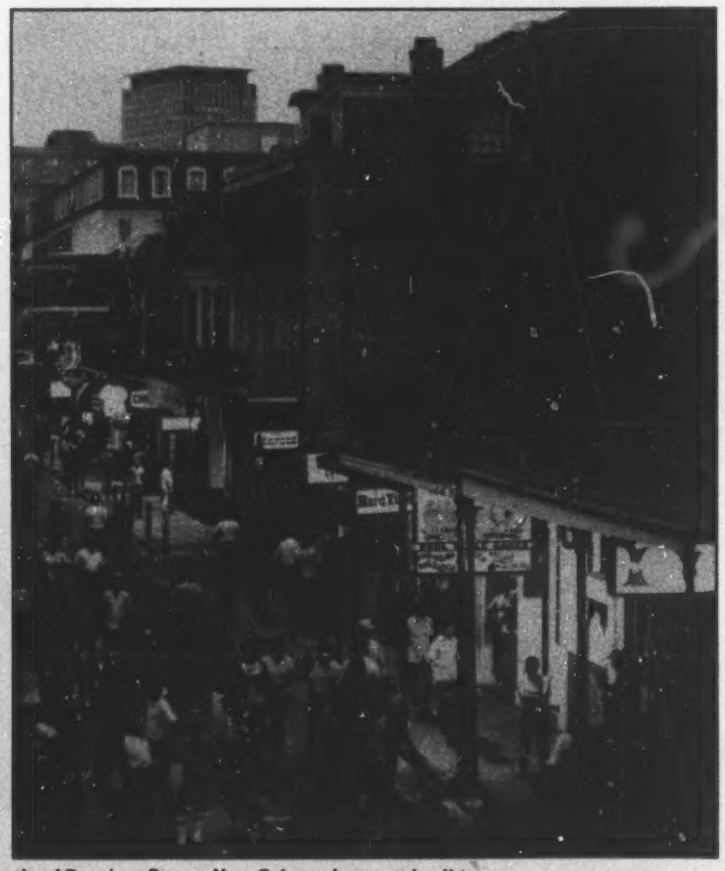
Visitors can ride one of the cars that affords an impressive view of the city's Garden District and Uptown New Orleans and along St. Charles Avenue, where it rolls beneath huge arching oaks and past miles of mansions.

More than 6 million people visit New Orleans each year and are seemingly undeterred by the fact the city lies an average of 6 feet below sea level.

New Orleans often has been called one of the more unusual cities in the nation. The easy blending of the old and the new is apparent in the high-rise structures that tower over the slate-roofed buildings in the Vieux Carre.

The port of New Orleans is a key factor in the area's expanded trade and river transportation. New Orleans is the largest U.S. port and second most productive in value of foreign commerce and total waterborne commerce handled in the world.

New Orleans hosts 50 commercial banks. Prior to the 1984 World's Fair, several major hotels, retail stores, and restaurants were constructed in the financial district and the growth continues.



From the solitude of the Cathedral of St. Louis to the bustle of Bourbon Street, New Orleans has a style all its own.

New Orleans Food Directory

Food and dining are among the important attractions for most visitors to New Orleans. Local, regional and international dishes await those interested in sampling fare from some of the finest restaurants anywhere. Representative dining establishments in the city include:

CAJUN

Mulates Restaurant, Hwy. 94, Breaux Bridge, La.

CREOLE

Antoine's Restaurant, 725 St. Louis St.; Arnaud's Restaurant, 813 Bienville; Broussard's Restaurant, 819 Conti; Delmonico Restaurant, 1300 St. Charles; Lenfant's Restaurant & Dance Club, 5236 Canal Blvd.; La Louisiane, 725 Iberville; Maison Dupuy Hotel, 1001 Toulouse St.; Olivier's Famous Creole Cuisine, 2519 Dreaux Ave.; The Caribbean Room at the Pontchartrain Hotel, 2031 St. Charles Ave.

FRENCH

Andrew Jackson Restaurant, 221 Royal; Brennan's Restaurant, 417 Royal; Christian's Restaurant Inc., 3835 Iberville St.; Crozier's Restaurant Francais, 7033 Read Lane; Lafayette Hotel, Le Carre Bistro, 628 St. Charles Ave.; Le Ruth's Restaurant, 636 Franklin St.; Masson's Restaurant Francais, 7200 Pontchartrain Blvd.; Hotel Intercontinental New Orleans, 444 St. Charles Ave.; Galatoire's, 209 Bourbon.

SEAFOOD

Algiers Landing, 2 Bermuda St. Wharf; Cajun Catfish House, 521 Central Ave.; C'est Si Bon Seafood & Steakhouse, corner of

Continued on page CM34

Fees survey . . .

Continued from page 3

schedules because of possible negative reaction from clients.

"They were already higher than the larger banks and may not want to be perceived as charging more than their larger counterparts . . . and they did have such a large increase last year," she said.

Small banks and trusts raised their fees 15.6%, on average, in 1984.

Ronald D. Peyton, president of Callan Associates Inc., San Francisco, said most smaller banks are not making the changes that would require higher fees.

"Small banks have not been beefing up their staffs and paying higher compensation" like the larger banks, he said.

Mr. Berg said the ancillary position of some trust departments in smaller banks makes it difficult to increase fee schedules.

"The general reason small banks haven't raised their fees is that the commercial banking side is controlling that situation," he said.

He explained the commercial sides of the smaller banks, as well as the clients, use the strong commercial banking relationship as leverage on the trust department to maintain fee schedules.

The lack of change by small banks, and the continued increase of fees by large banks and trust companies, has resulted in the larger banks now charging higher fees than smaller ones.

The study showed the average median balanced fees charged by larger banks were 5% lower than small banks and trusts in 1984. However, this year, the larger banks were 2% higher.

"A lot of banks have done a great deal to improve their image. Their increasing fees have been a way to keep top personnel," said Ms. Buck.

Callan's Mr. Peyton agreed higher fees are a result of banks' efforts to compete more directly with the independent managers. "The large banks are increasing their fees because they are becoming more competitive in their performance."

Although the large banks and trust companies, in general, recorded the highest increase in fees in comparison to the other manager groups, they continue to charge lower fees than the independent investment counselors.

According to the survey, bank and trust company fees are between 10% and 20% lower on fixed-income accounts and as much as 30% lower on balanced and equity accounts.

However, the banks continue to narrow the gap between themselves and the independent investment counselors, who appear to have reached a fee ceiling.

"(The independent counselors) have reached the maximum and are under a lot of fee pressure. Banks are so far behind, they are playing catch up," said Mr. Peyton.

SEI's Ms. Buck said managers' clients believed higher fees meant better performance.

"They have said, 'We charge more, but we are better.' We found that not to be true," said Ms. Buck.

Ms. Buck said the correlation between performance and fees was higher for equity accounts than for balanced or fixed-income accounts, but for the most part was still low.

Mr. Peyton said there may be a correlation, depending on when the performance is measured.

"The high-fee managers are the more aggressive managers that buy the kind of stock that hasn't done well over the last year," he said.

Mr. Berg said managers use fees as a means to establish themselves in a desired position in the market.

"You have to ask yourself, 'What correlates with a firm's fee schedule?' The main thing is the pricing strategy of the firm which is tied to the marketplace and what they see as their position in that marketplace," he said.

Mr. Berg said the size of the investment firm may affect the fees charged to new clients.

"For a large organization, by the very nature of its size, it's all incremental income, so they can price fees on a volume basis. In a small firm that's not true," said Mr. Berg.

He said new business at a smaller firm may require additional personnel or technology, which would require additional income.

Increased fees could be the result of good performance, he said.

"Obviously, an organization that has, over time, had superior performance, will increase their fees to be in a superior position," Mr. Berg said.

"However, you have to have a significant difference for it to be truly significant because most pension executives are not fee sensitive, they're results sensitive." ■

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The Department of the Treasury of the State of Louisiana and the Board of Directors of the Louisiana State Employees' Retirement System (the "Board") requests proposals to provide investment counseling services to the Board, which has a portfolio of approximately $1,300,000,000.

The investment counselor or counselors selected will make recommendations to the Board as to the purchase or sale of securities by the Board, and will meet monthly with the Board to review the investment assets. The investment counselor or counselors shall have no discretionary authority with respect to investment decisions.

Interested parties must secure an official Request for Proposal Form from the State Treasurer at Post Office Box 44154, Baton Rouge, Louisiana, 70804. All requests for the Request for Proposal Form and all other inquiries must be received in writing. Responses to the Request for Proposal Form must also be received in writing by the State Treasurer no later than 4:30 p.m. on September 13, 1985.

Assets grow, execs' power doesn't

By Alan Krauss

NEW YORK — Pension executives generally have not increased their power in the corporate hierarchy in the past several years, even though corporate pension assets have burgeoned.

Despite the increased importance of pension assets to the corporation — and the meshing of corporate finance with pension finance — relatively few pension executives make the transition into general corporate financial management.

Interviews with current and former pension fund executives, industry consultants and executive search firm officials show that while a number of pension executives have moved beyond their asset-management duties to gain broadened responsibilities in the corporate treasury, relatively few as yet have advanced to the top of the financial ladder.

During the past five years, as many plans have become overfunded, pension assets have loomed as a larger factor in the corporate financial structure, said William F. Brock, executive vice president and director of consulting for Evaluation Associates Inc., Westport, Conn.

But individuals have not been able to turn this trend into increased personal corporate clout, Mr. Brock said: "It should be the case, but hasn't."

Continued on page 45

Late news

Withdrawals increase

Pension officers are withdrawing increasing amounts of money from open-end real estate funds, real estate officials have revealed.

• In the second quarter, $180 million was withdrawn from Prudential Insurance Co.'s $5 billion Prop-

Continued on page 2

Pensions & Investment Age

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Photo by Michael A. Marcotte, courtesy of Deak-Perera

$738 million is divested by 51 tax-exempt funds

By Trudy Ring

Fifty-one tax-exempt funds with assets of about $36 billion have divested themselves of $738 million in South Africa-related securities, a *Pensions & Investment Age* survey reveals.

As unrest escalates in that segregated nation, pressure is mounting on other pension and endowment funds to stop investing in the U.S. companies doing business there.

• U.S. companies have felt the pressure, not through their pension funds, but through shareholder resolutions.

• Opinions differ on the appropriateness of divestiture. There is no agreement on its effect on investment performance, nor evidence of its effect on the companies that issue the securities.

Opinions also differ on whether any tactics — divestiture by pension and endowment funds, discontinuance of U.S. corporate operations in South Africa or endorsement of the Sullivan Principles — would improve the lot of the black majority in South Africa. Still, divestiture has many active proponents.

• Endowment funds, influenced by a wave of student protests, have led the way to divestiture, with at least 42 major funds adopting some sort of South Africa policy and divesting $185 million in securities in recent years.

The issues and players of divestiture — page 31

Many bills on South Africa-related investments have been introduced in the states, but few have passed. Eight have adopted some investment restriction; four of them have divested, selling $443 million worth of securities. Divestiture legislation was introduced in another 24 in the past year, but failed or was vetoed in 10 of them. In the rest, it still might come to a vote.

Eighteen major cities have enacted South Africa policies for their pension funds but, in some cases, the resolutions have been advisory only. The five cities that have divested to date have sold $110 million in securities. Resolutions are

Continued on page 37

'Pension parachute' used

Carbide guards surplus

By Barry B. Burr

Union Carbide Corp.'s adoption of a "pension parachute," a device to deny unwanted corporate suitors its $762 million in surplus pension assets, appears to be part of a growing trend by corporations.

The practice already is raising the fury of some institutional investors and such figures as T. Boone Pickens Jr., who called the $762 million surplus "the world's largest golden parachute."

Other corporations, such as Sun Co., which has about $260 million in surplus pension assets, already have adopted a pension parachute.

More corporations appear likely to follow with similar measures, according to consultants.

It's unclear if the recent moves, especially Union Carbide's, would avoid the problems encountered by the Great Atlantic & Pacific Tea Co. A&P adopted what was probably the first pension parachute in a vain attempt to avoid a takeover. After the company was taken over, the new management attempted to nullify the parachute.

A&P still is involved in litigation, in large part because of the pension parachute, over the reversion of its $265 million surplus.

New York-based actuary Towers Perrin Forster & Crosby has been a consultant on pension parachutes for Union Carbide, Sun and other companies.

Union Carbide, rumored as a takeover target, is the latest to enact the device. In a filing with the Securities and Exchange Commission, its board of directors amended the retirement plan, providing that "in the event of an 'unfriendly change in control,' surplus asset held in the plan may be used to increase benefits."

"Such amendments ensure that any surplus assets held in the plan are not utilized for the benefit of the person or entity acquiring control under such circumstances unless the board of directors otherwise approves," the SEC filing said.

Executives of Union Carbide, Danbury, Conn., said the change still allows the company, if it so chooses, to terminate the plan and recapture the surplus without providing any enrichment of employee benefits.

Besides the pension amendment,

Continued on page 44

ESOP buys Ogden units

By Barry B. Burr

NEW YORK — Ogden Corp. will reap $200 million in cash and $105 million in convertible preferred stock by selling its Avondale Shipyards Inc. and industrial products division to a new employee stock ownership plan.

The ESOP was financed, in part, by surplus assets of what appears to be a spinoff/termination of pension plans of the sold units. However, the Pension Benefit Guaranty Corp. has received no notice of intent to terminate.

The move is one of the most recent by many companies terminating pension plans and recapturing excess assets to help finance acquisitions.

The spun-off units will be joined to form a new company, Avondale Corp. The ESOP, set up for the benefit of the divested units' nonunion employees, will buy about 8 million shares, or $270 million, of the new company.

Ogden will retain about 30% ownership in the new company through its convertible preferred stock. It will elect three of Avondale's seven directors.

Phua K. Young, a research analyst at Shearson Lehman Brothers Inc., said the industrial products group has had problems, but "combining that with the Avondale (shipyard unit), you have yourself a pretty good company."

The ESOP is being financed with $80 million in surplus pension assets and $190 million in senior secured debt from a still-incomplete syndicate of banks led by Citibank, New York.

Of the termination, Donald A.

Continued on page 42

A worker fabricates metal components at Mayville Metal Products Co., a unit of the new Avondale Corp.

Quarterly GIC rates

page 23

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Raymark shortfall might be windfall

By Barry B. Burr

TRUMBULL, Conn. — Amid continuing operating losses and asbestos litigation, Raymark Corp. has turned an almost $20 million pension deficit into a surplus and now might terminate the $58.5 million plan to capture its excess assets.

John Lutsi, controller, said severe financial pressures at the corporation forced the actions that led to the turnaround. Raymark hasn't reported an annual material profit on continuing operations since before 1980.

Raymark has been slashing pension expenses and contributions in recent years to cut corporate costs. Last year, it won a waiver from the Internal Revenue Service to defer its contribution altogether because of its financial "hardship," Mr. Lutsi said.

He said making the 1985 contribution or seeking another waiver depends on the termination decision.

John Kutzler, vice president-finance and chief financial officer, confirmed Raymark is considering a termination, but said no decision has been made.

Despite the cuts in contributions, he believes the plan now has built up a surplus. Raymark, formerly called Raybestos-Manhattan Inc., disposed of about $20 million in pension liabilities by selling some corporate operations and changing actuarial assumptions.

In addition, Messrs. Lutsi and Kutzler attributed a large part of the liability reduction to a complex pension financing strategy.

Managed by Ward & Wissner Capital Management Inc., New York, the strategy involved setting up an immunized fixed-income portfolio with the use of financial futures to lock in a minimum 14.4% rate of return, until Raymark raised enough cash over the three years from maturing guaranteed investment contracts to buy bonds (*Pensions & Investment Age*, March 15, 1982).

Raymark expects to have the cash to buy bonds to move to a traditional dedicated portfolio by 1986 when its last GIC matures.

Even though Raymark hasn't put

Continued on page 42

Move to outside firms eyed

Texas bond swap being probed

By Fred Williams

AUSTIN, Texas — A bond swap by the Teacher Retirement System of Texas, under investigation by the state auditor, might revive efforts to require the state's public pension systems to use outside investment managers.

Both of the major state pension funds — the $11 billion teachers fund and the $2.5 billion Employees Retirement System of Texas — are managed internally.

The auditor's office is investigating two separate bond trades by the teachers' fund. One involved the swap of $169 million of Housing and Urban Development hospital bonds last year for a like amount of U.S. Treasury bonds. The other is the sale of $8.5 million par value corporate bonds issued by a company "in a distress situation," said Carl Johnson, the audit manager heading the investigation.

A former employee of the teachers' system approached the state auditor, claiming "some of the transactions and some of the securities were sold below market value," Mr. Johnson said.

The former employee also contended the Treasury bonds had a lower yield than the hospital bonds.

Although fund officials said the swap met all the criteria established for such trades, the system voluntarily instituted additional controls after the former employee went to the fund's executives in February. The problem was "mainly in the way these types of transactions are handled regarding a lack of clarity over procedures and guidelines," Mr. Johnson said.

"Some of the things they set in motion were new, such as redesigning the forms they use to document these types of trades," he said. "Some were just putting into writing some of the policies which had been oral only. They want to make sure everyone observed some checkpoints on certain types of transactions."

The auditor's office will have additional recommendations following the completion of the investigation, he added.

Mr. Johnson said he has seen nothing to indicate any "wrongdoing" with the bond transaction. "We're approaching it as an internal control issue, rather than a legal issue. We're not at that point at all to suggest anything improper."

"Most of the issue has to do with the pricing and the way the yields were computed," he said. "It does kind of open up this to some question. Generally (the teachers' fund) looks to positive market yield improvements. According to the method they used, they got that.

"There is a question as to whether that method accurately reflected the yield. I think it wasn't the correct method. It kind of tended to understate the market yield on the (HUD) hospital bonds.

"That indicates these were unusual transactions for them and outside the parameters they like to operate in. We are concerned

Continued on page 41

Ameritech reoptimizes portfolio

By Richard J. Gillespie

CHICAGO — Ameritech has reoptimized its $2.4 billion dedicated bond portfolio and has taken some capital gains on its holdings, all just eight months after the dedication was set up.

The reoptimization was done by Salomon Brothers Inc., New York, in conjunction with National Investment Services of America Inc., Milwaukee, the investment management firm hired to manage the portfolio.

In a dramatic twist, Salomon Brothers began executing trades for American Information Technologies Corp.'s dedicated bond portfolio July 23 in New York, and continued trading in Tokyo after the New York markets closed.

After the Tokyo markets closed, the trades were carried over to the London market, concluding in New York the next day, said Donald W. Phillips, director of investment management for Ameritech.

The reoptimization was necessary, he said, to take care of liabilities created by a new crop of 1985 retirees, and to "fine tune" the portfolio. He said the fund had decided to "buy some time and let the dust settle" last December when the portfolio was set up by immunizing a large portion of the fund instead of precisely cash matching it.

When a dedicated portfolio is reoptimized, existing securities are swapped with other securities to produce a tighter match between assets and liabilities, or an increase in yield.

At the same time, Mr. Phillips said, the fund had an opportunity to pick up capital gains on bonds bought last year, in a rebalancing that might be done every year.

The original $2.4 billion portfolio was set up to yield between 11.5% and 11.55%.

At the time, it cut Ameritech's then-estimated $218 million annual pension expense by $68 million, Mr. Phillips said.

About half the original portfolio was placed in U.S. Treasury bonds, but the plan also purchased U.S. agency bonds, A-rated corporate bonds, government-backed project bonds and Canadian bonds.

Neither the original trades nor those in the rebalancing had any appreciable effect on the market prices of bonds, according to Joseph Gorman, president of NISA.

When Goldman, Sachs & Co., New York, did the cash-matching of the original $2.4 billion portfolio last December, the market effect was minimized by using $1 billion in existing fixed-income assets, Mr. Phillips said.

No public announcement was made until after the original dedication and rebalancing moves were made.

"Until it was put in (a Wall Street Journal advertisement), nobody knew it was done then, and that was also true again here," said Mr. Gorman.

Asked why Salomon Brothers had been chosen to do the reoptimization when Goldman did the initial executions, Mr. Phillips explained both firms had been advisers in the original transaction; it was Salomon's "turn," he said.

At the same time, the decline in interest rates might have enabled the fund to take advantage of a very large capital appreciation, but Mr. Phillips declined to specify the actual amounts.

He acknowledged the reoptimization involved a "lot of trades," but would not give a dollar amount.

The change in portfolio mix had been worked out before with Salomon Brothers and NISA, and Ameritech had "worked off the spreads" in pricing the new portfo-

Continued on page 44

Highlights

CASH MANAGEMENT
Hutton case spurs reviews 27
Certification plan criticized 27

CORPORATE FINANCE
Sun Co. legal battle ends 21
Study may back raiders' claims 21
New issues chart 21
'Loyalty' provision works well 22

REAL ESTATE
Michigan mulls further investments 15
Dutch fund watches properties closely 15
Wrap-up 15

SOUTH AFRICA
Cities, states, endowments divest 31
Corporate funds shun tactics 32
Public officials debate 34
Managers run divested portfolios 34

FEATURES
Arnott and Boling: Reducing divestiture risks . 18

GENERAL NEWS
Pension executives blast show 4
South African market reflects tension 6
Hutton may be barred from ERISA accounts ... 8

DEPARTMENTS
Dan Dorfman 38
Letters 12
Market beat 19
Money movers 46
Opinion 12
People 40

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Late news

Continued from page 1

erty Investment Separate Account; $12 million was deposited.

• About $107 million was withdrawn last quarter from Equitable's $2.7 billion Real Estate Account No. 8; $26 million was deposited.

• About $41.5 million was withdrawn from, and $53.4 million deposited in, the $1.5 billion Aetna Insurance Co. Real Estate Separate Account during the first half.

• Also during the first half, about $72 million — including $63 million during the first quarter — was withdrawn from John Hancock Mutual Life Insurance Co.'s Equity Real Estate Account, compared with about $4 million in deposits.

Reform bills advance

WASHINGTON — The House Labor-Management Relations subcommittee approved a package of three bills to reform the termination insurance system for single-employer pension plans.

The subcommittee also limited to five years the length of contingent liability for employers that transfer underfunded plans to other companies. Left unresolved was a section involving employer obligations when granted a funding waiver.

FDIC named in suit

NEWARK, N.J. — A suit was filed in U.S. District Court here against the Federal Deposit Insurance Corp. charging it knowingly made "false and malicious statements" about a Clifton, N.J., investment firm, High Yield Management Inc.

The suit also demands payment of all insured deposits held at Strong's Bank, Dodgeville, Wis., which was closed by the Wisconsin Banking Commission June 14. Subsequently, an officer of the bank was arrested by the FBI in connection with the bank's failure.

The complaint states the agency knew High Yield Management was not involved in any fraudulent transactions, and that the action of the FDIC in withholding payments to insured depositors who are clients of High Yield Management is part of its "campaign to frighten and discourage persons from doing" brokered deposits.

Purchasing continues

MADISON, Wis. — The $12.3 billion State of Wisconsin Investment Board has purchased 518,000 shares, or 5.3%, of SCM Corp. and 212,000 shares, or 4.8%, of Sikes Corp., during the past two months, Securities and Exchange Commission filings show.

Plans may be merged

MILWAUKEE — The $200 million Johnson Controls Inc. pension plan likely will merge the pension plans of two recently acquired firms — the $90 million plan of Hoover Universal Inc., Ann Arbor, Mich., and the less than $10 million plan of Ferro Manufacturing Corp., Southfield, Mich. — to streamline administration, said James M. Wade, Johnson Control's treasurer.

Buy-out price queried

WESTLAKE, Ohio — The Department of Labor's "preliminary concerns" about Scott & Fetzer Co.'s pending leveraged buy-out appear to have been boosted by a union complaint about uneven stock prices to be paid by an employee stock ownership plan, management and investor groups.

The Amalgamated Clothing & Textile Workers Union told the department the newly formed ESOP would pay $44.39 per share for its 41% stake in the company, while management and outside investors would pay from $1.50 to $3.46 per share for their interests, a union official said.

However, the company's proxy statement said the investors would pay the equivalent of $60.69 per share when their guaranty of $161 million in debt is considered.

Late money movers

• FAIRFIELD, Conn. — The $2.9 billion Common Fund appointed Franklin Asset Management System to a $30 million equity account and Coniston Partners, New York, for a $5 million limited partnership.

• SAN FRANCISCO — Blue Shield of California has hired IDS Trust Co., Minneapolis, as investment manager, trustee and record keeper for its 401(k) plan, a Blue Shield spokesman said. The plan previously was managed by The Dreyfus Corp., New York.

Bell companies ring out the old, ring in the new

By Fred Williams and Rick Rosenfeld

Ameritech's decision to put as much as $500 million into international investments by the end of the year is the largest, but by no means the only, firm international move expected from the seven Bell regional operating companies.

Indeed, each of the companies created by the divestiture of American Telephone & Telegraph Co. is in the process of reallocating pension assets and hiring and firing managers. They received their final distribution — about $15.2 billion — of pension assets from AT&T July 1, except for a small amount pending a final accounting later this fall.

Tax-exempt assets of the seven companies total about $41.4 billion.

Donald Phillips, director of investment management for the $7.4 billion American Information Technologies Corp. pension fund, said the Chicago-based company added four international equity managers with an initial funding level of $50 million to $100 million each. The four managers reportedly are ABD International Management Corp., New York; IDS International Inc., London; Capital Guardian Trust Co., Los Angeles; and Baring International Investment Ltd., Boston.

Ameritech plans to commit up to 15% of pension assets to international, with an eventual exposure of $900 million to $1 billion, he said.

Ameritech is the largest Bell pension fund, followed closely by NYNEX Corp., with an estimated $7 billion. Bell Atlantic Corp. has $6.6 billion; BellSouth Corp., $6 billion; Pacific Telesis Group, $5.4 billion; U S WEST Inc., $5 billion; and Southwestern Bell Corp., $4 billion.

Other than the international arena, there are few characteristics common to the investment management components of each Bell pension fund.

International investments

Explaining the common interest in international investment, James Biundo, director of trust investment management at U S WEST, said, "It is a major asset class. Half the world's market value is outside the U.S., and if we are going to invest near our potential, we have to look at all investment vehicles."

U S WEST, in Englewood, Colo., is considering an international move, with a representative now in Europe evaluating the market, interviewing foreign firms and completing a study for the fund, he said.

Roger Wohlert, assistant treasurer-finance at Southwestern Bell, St. Louis, said, "In our modeling, we have allocated money for international. We have a $100 million target amount." A search for international managers won't start for another 12 to 18 months, he said.

Kincaid Patterson, director of asset management for BellSouth in Atlanta, said no significant restructuring is anticipated, but "we are looking at some additional asset classes ... It is our intention to ultimately invest some equity funds and possibly fixed income in international."

Pacific Telesis began hiring international managers during the second half of 1984, and now has five, according to Richard Holmes, director of investment management. PacTel has nearly $270 million invested in international markets.

"The only new thing here is our international program," Mr. Holmes said. "Last year we had zero in international and now we have 5% (of the pension fund) in it and we will continue to look at international."

Continued on page 41

Players balk at contribution size

Owners make pension pitch

By Chuck Paustian and Rick Rosenfeld

NEW YORK — Pension issues lead the batting lineup in this summer's major-league baseball player contract talks.

The controversy centers around the size of the annual contribution made by the 26 team owners to the $254 million fund. Since 1980, the contribution has been $15.5 million a year, linked ambiguously to network television receipts brought in by the league.

Officials at the Major League Baseball Players Association are asking for a $60 million annual contribution based on mushrooming television revenue. The owners made an offer July 30 — rejected by the players — of $25 million, an amount the owners would have wanted to reduce if salaries increased too much.

"Ever since 1967, we've always gotten contributions equal to one-third of television revenue," said Mark Belanger, special assistant to the association and a former major-league shortstop. "What we're saying is now that (the owners) have negotiated a big money package (with the networks), don't come to us and say 'one-third is too much money.'"

But the owners and their negotiating arm, the Player Relations Committee, have said from the start a $60 million annual contribution is too much.

"The money that was involved (during the last agreement) was a reasonable increase," said Lee MacPhail, president of the committee. "(At that time), the owners were in a break-even situation. Now, they are losing money."

But the players dispute that claim.

"The owners' claims of financial losses are not there," said Mr. Belanger. "It is a public relations ploy. There are so many write-offs allowed. The industry is designed for losses. (But these) are paper losses, not dollar losses."

John R. Westoff, associate counsel for the Player Relations Committee, said the outcome of the pension issue depends, in part, on the outcome of discussions regarding salary arbitration and team salary caps, the two other main issues in the negotiations.

"We want a recognition from the union that 'Look, you got problems.' Our contribution depends on what we get in other areas," said Mr. Westoff.

Controversy aside, the baseball pension fund is quite different from a typical corporate or public fund. First, while corporations typically have employees collecting pensions shortly after retirement, baseball players typically retire 20, 30 and even 40 years before getting their first pension check. This, combined with a player's ability to start collecting his pension at age 45, creates unique actuarial challenges.

Second, the fund is structured differently from most pension plans. John Gabel, a principal with William M. Mercer-Meidinger Inc., which oversees the fund's assets, said the pension trust is designed so the owners and players share the investment risk.

Continued on page 42

The baseball team owners hope their pension contribution bid is 'safe' from controversy.

Sampling of pension fund terminations in recent takeovers

Acquiring company	Target plan terminated	($ millions) Termination reversion	Takeover value
Champion Int'l Corp.	St. Regis Corp.	88	1,814
United Merchants & Mfrs. Inc.	Jonathan Logan Inc.	15	170
Texaco Inc.	Getty Oil Co.	250	10,129
Mobil Corp.	Superior Oil Co.	29	5,726
Management buyout	Lyon Metal Products Inc.	12	28
Management buyout	Dr Pepper	5	512
Management buyout	Amerace Inc.	16	121
Private group	New American Library Inc.[1]	3	50
Generale Occidental S.A.	Diamond Int'l Inc.	12	584
Private group	Purex Industries Inc.	12	357
Occidental Petroleum Corp.	Cities Service Co.[2]	238	4,100
	Occidental	136	
Tengelman group	Great Atlantic & Pacific Tea Co.	265	165

[1] Sold by Times Mirror Co.
[2] Aquisition

Termination gold is mined

By Barry B. Burr

From recaptures of $962 million by UAL Inc. to $12 million by Lyon Metal Products Inc., overfunded pension plans are becoming a widely used source of cash to help finance acquisitions or thwart takeovers.

Companies, both targets and acquirers, increasingly recognize the "gold mine" from terminating plans for their excess assets.

"It's a way of going in and financing a merger," said Roger G. Ibbotson, principal of the consulting firm Ibbotson Associates Inc., Chicago, and finance professor at Yale University.

Besides acquisitions, companies are using pension termination reversions to help fight unfriendly takeovers, hoping to boost their stock price and make it less attractive. Other companies are terminating their plans and taking the cash to help finance the repurchase of their stock, as an alternative to making other investments.

In takeovers, sometimes it is the acquiring company that terminates its plan. American Stores Co., Salt Lake City, acquired Jewel Cos., a Chicago-based supermarket chain, for $875 million. Jewel did not have a defined benefit plan, only a profit-sharing program. But American Stores terminated its own pension plan, recapturing an estimated $20 million, according to the Pension Benefit Guaranty Corp.

UAL terminated its United Air Lines Inc. plan for the $962 million, in part to make the company less attractive as a takeover target by removing its cash plum, although

Continued on page 43

Cash reserves dip; managers still bullish

By Fred Williams

Institutional money managers squeezed more cash into the stock market during the second quarter as the average cash position dropped to 6.1% from 6.3% at the end of the first quarter.

According to information compiled by INDATA, an investment analysis firm based in Southport, Conn., money managers continued their bullish mood and tried to be fully invested.

The INDATA research covers 1,063 institutional portfolios with a value of more than $109 billion. The lowest cash position INDATA recorded was 5.4% in September 1976.

Money managers contacted by *Pensions & Investment Age* had cash reserves ranging from zero at First City National Bank in Houston to more than 20% at First Chicago Investment Advisors.

Cash reserves at Criterion Investment Management Co., Houston, declined slightly to a range between zero and 10% from 10% and 15% at the end of the first quarter, said Charles Miller, president.

The decline in cash reserves came as a result of more hopeful economic signals and clearer signs the economy will expand at a healthy rate in the second half, Mr. Miller said.

"It now seems clear there will be no recession, and the expansion opportunities are more clear in the second half; it looks stronger," he said. "That causes us to invest our cash more quickly rather than holding some cash and waiting for future weaknesses to reinvest.

"Overall, we feel we are in a slowdown in the long-term (economic) expansion that will last several more months.

"We feel it will be an extended economic recovery and that the second half will show continued expansion extending on into 1986. The economy should be pretty strong."

All that adds up to favorable conditions for the stock market, Mr. Miller said, and growth stocks should offer good opportunities.

Eugene Sit, president of Sit Investment Associates, Minneapolis, reported equity portfolios continued to hold about 5% cash and another 5% to 6% short-term bonds, unchanged from the first quarter.

"We think the market has a little further to go and the key (during the second half) is to be selective," he said. "With interest rates remaining relatively stable, you really have some strong growth companies and they should continue to do well. We continue to like some of the specialty retailers, the property-casualty companies and the technology group."

Continued on page 46

Divestiture risks can be reduced with planning, eye to the issues

By Robert D. Arnott
and Richard Boling

THE PENSION executive facing a mandate to divest South African-related securities must resolve many issues. Central among these are questions of ethics, prudence, feasibility and implementation.

The fundamental moral issues of divestiture are complex and the subject of widespread disagreement. To a great extent, the "proper" response to divestiture is in the conscience of the investor.

This article is not intended to address the ethical question of divestiture. It focuses instead on the options available to those executives who already have decided, or have been directed, to divest their portfolios of South African-related securities and are seeking strategies to translate this commitment into portfolios, with an understanding of the consequences.

Clearly, any investment strategy that systematically excludes important segments of the capital markets will introduce extra-market risk. Any strategy that introduces risk without enhancing expected return is, by definition, sub-optimal. Given this caveat, our work indicates a divestiture strategy that incorporates both optimization techniques and index futures can effectively neutralize much, although not all, of the increased extra-market risk associated with divestiture.

Prudence

The principal problem with South Africa divestiture is that it reduces substantively participation in several sizable areas of the market. Companies involved in chemicals, drugs, medicine, international oil and business machines, among other products, all have substantial South African investments.

Eliminating stocks of U.S. companies with operations in South Africa produces a corresponding increase in sectors of the economy without South African involvement. Such sectors include domestic oils, telephone services, energy utilities and retailing. Therefore, the principal problem relating to prudence is one of diversification.

We have tested the following five portfolios:

(a) Capitalization-weighted Standard & Poor's 500 stocks;

(b) Capitalization-weighted S&P 500 stocks, excluding non-signatories to the Sullivan Principals;

(c) Capitalization-weighted S&P 500 stocks, excluding companies with South African operations;

(d) Equal-weighted S&P 500 stocks, excluding companies with South African operations; and

(e) Equal-weighted New York Stock Exchange companies (used as a proxy for the Value Line stock index).

Portfolios (a) and (e) are not divestiture strategies, but are included for comparison purposes only.

A passive, capitalization-weighted portfolio (c) of S&P 500 stocks without South African operations strays from the performance of the S&P 500 by an average of 3.2%, as shown in Figure 1, and has a beta of 1.04, slightly above the S&P 500 beta of 1. This strategy excludes roughly 40% of the S&P stocks.

During the past decade, portfolio (c) would have outpaced the S&P 500 by about 2% annually (unadjusted for the high beta), as shown in Figure 2. Even so, this strategy doesn't result in a low R^2, a correlation measure; the R^2 of this particular divestiture strategy is 0.98, not far from the 1 R^2 of an S&P 500.

Because most pension plans have a less-diversified portfolio that strays further from the market than portfolio (c), a South Africa divestiture strategy can provide ample diversification.

Even a well-diversified divestiture strategy will lead to measurable extra-market risk. Figure 2 shows this extra-market risk has resulted in superior performance in the past decade. However, any strategy that can outperform can just as easily lag. If the extra-market risk translates into meaningful inferior performance, which can be traced to the divestiture decision, the fiduciary might face considerable legal liability.

Figure 1

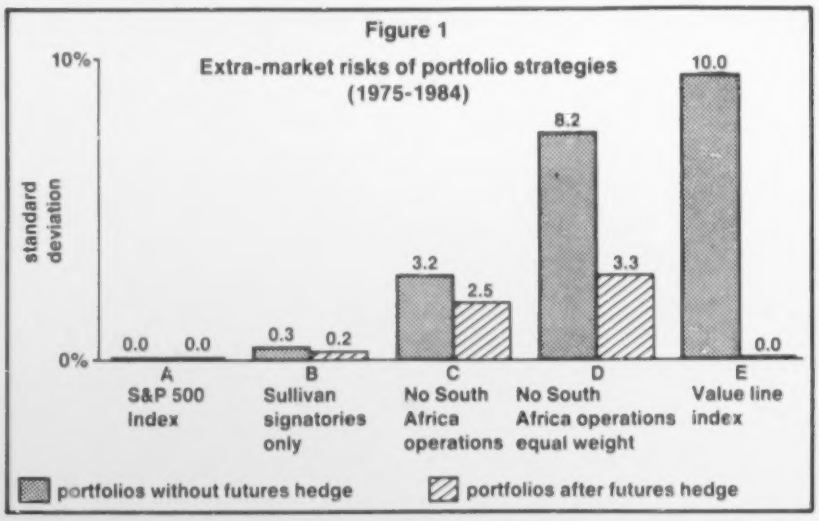
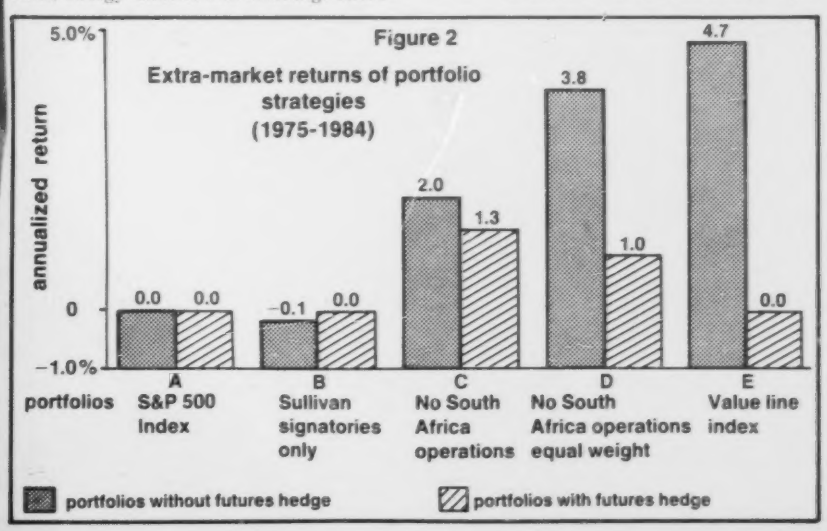


Figure 2



The issue of prudence raises another important question: Is a failure to diversify (or even selective refusal to consider investment in specific companies) for *non-investment* reasons prudent?

Feasibility

For those who choose (or have been directed) to divest, there are practical options.

Quantitative methods have given us increasingly effective optimization techniques. Optimization can be used to replace International Business Machines Corp., for example, with carefully selected investments with similar risk characteristics. In so doing, much of the extra-market risk implicit in a South Africa exclusion strategy is eliminated.

In 1979, research by Andrew Rudd of BARRA, a Berkeley, Calif., consultant, revealed the extra-market risk in a South African exclusion strategy could be reduced 30% through effective use of optimization. However, optimization alone cannot fully neutralize this risk. Unfortunately, most money managers cannot systematically control the extra-market risk resulting from divestiture. Without quantitative tools, such control is at best difficult.

The advent of trading on stock index futures provides an avenue to substantially reduce the extra-market risk associated with divestiture. For example, one can create a stock market index fund without stocks: If a pension executive uses a portfolio of Treasury bills to buy futures on the S&P 500, the result, in essence, is an S&P 500 index fund. Participation in disallowed companies is fully realized without direct investment in these same disallowed companies.

This simple index fund strategy introduces yet another moral question: Is indirect investment morally equivalent to direct investment? As before, the answer is in the conscience of the investor.

This strategy of holding *only* futures clearly is passive. What of the pension executive who wishes to continue active management of pension assets?

Generally, the excluded issues tend to be large-capitalization issues, dominated by traditional mainstream growth stocks. Consequently, any portfolio excluding these issues will tend to behave more like a small-capitalization portfolio. Intriguingly, it is possible to eliminate this effect by selling Value Line Index futures and buying S&P 500 futures. As Figure 1 demonstrates, this hedge eliminates much of the extra-market risk of a divestiture strategy.

Such a strategy can be implemented as an "overlay" without disrupting existing managers. However, this application requires use of leveraged futures positions. With a small pool of cash as collateral, futures are purchased as an "overlay" on the current positions of managers whose portfolios have been divested of South African-related securities.

While this strategy can neutralize much of the increased extra-market risk, the managers must provide a profile of their portfolio characteristics to the manager charged with operating the hedge "overlay." This can be supplied by the master trustee.

Implementation

Thus, the pension executive faces several avenues for dealing with South African divestiture:

- The executive can choose to proscribe investments in companies with South African operations. If nothing else is done, this opens the door to a challenge, legal or otherwise, of the fiduciary's adherence to the "prudent man" rule.
- The executive can choose to hire only quantitative managers with tools at their disposal to neutralize some of the extra-market risk resulting from South African divestiture. This strategy reduces, but does not eliminate, the risk of challenges based on the "prudent man" rule.
- The executive can choose to retain the existing managers and proscribe the use of issues with South African involvement. A futures program can then be instituted to neutralize much of the resulting extra-market risk.

This requires a commitment to use futures. It also requires the money managers must share information on the characteristics of their portfolios with the manager responsible for operating the futures hedge.

- The executive can choose to combine the use of a futures hedge with optimization. Optimization techniques can neutralize much of what remains of the extra-market risk after the futures hedge is applied.

The extent to which these strategies are implemented depends largely on the way effective divestiture is defined.

If, for example, a portfolio excludes only issues of companies that have not signed the Sullivan Principles, a divestiture portfolio that tracks quite closely with the market is easy to construct. If the line is drawn to exclude companies with operations in, or sales to, South Africa, the use of optimization and hedge strategies must be more aggressive if more extra-market risk is to be neutralized. If a fund's definition excludes companies with any direct or indirect investment in South Africa, nearly all S&P issues become suspect.

One virtue of the futures-plus optimization approach is that it can be adapted to a wide range of divestiture interpretations. This presumes that, as mentioned earlier, ownership of index futures is viewed as an acceptable option to ownership of prohibited individual issues.

Although effective in reducing the risks of divestiture, none of these strategies is a panacea.

Divestiture does introduce some extra-market risk that cannot be neutralized. Questions of legal liability resulting from divestiture remain largely unanswered.

Nevertheless, for the executive who must implement a responsible program of divestiture, practical strategies do exist. These strategies permit a sponsor to divest South African-related holdings without radically disrupting diversification objectives or limiting the choice of investment managers. ■

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